Mining Boom Strikes Kenora (Page 11)

THE FINANCIAL POST

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The Nation's Business

No Debt Refunding For Hard-pressed Western Provinces

Ottawa Conference Failed to Tackle Urgent Problem

British Democracy Rests on Moral Base

Ottawa Conference Dodges Its Duty

LAST week's meeting at Ottawa of the National Finance Committee failed to come to grips with the major financial problems of Canada or its provinces. The Minister of Finance says the conference was a great success. In the eyes of most students of public affairs in Canada it was a complete failure.

The conference did nothing at all about a most pressing problem in public finance in Canada, namely provision of means by which the Western provinces can refund their debts at a lower rate of interest.

* * *

THE Financial Post earlier expressed its regrets that this subject was not included on the agenda of the conference. Expectations were that the matter might be brought up by Western treasurers. The Post is informed however, that refunding of Western provincial debts was not discussed.

As to the urgency of the problem there can be no doubt. While economic recovery in Eastern Canada and in British Columbia has given real reason to be optimistic about the future, there is still much distress in the Prairie Provinces and discontent over public debt burdens.

Unless there is very marked economic recovery in the West in the near future there is grave danger that radical elements will gain control in Saskatchewan and Manitoba as they have in Alberta. This might mean further acts of repudiation. Such an eventuality would be a serious blow to Canada's credit and would be a severe check to economic recovery.

* * *

THE finances of both Manitoba and Saskatchewan are far from strong. Both provinces have reduced expenditures sharply; in some departments below what is considered a reasonable minimum. In the future it may be necessary to increase expenditures rather than reduce them. Unless some aid is forthcoming to ease the interest problem, default may be the only course.

The people of the West are honest people. Out of sheer desperation, however, people often commit dishonest acts. The people of the Prairie Provinces are rapidly arriving at the "desperation stage."

Unfortunately the average man has little realization of the economic consequences of repudiatory action. He does not see that it will check economic progres in the entire country and will only make his own position worse. The Dominion cannot afford to permit economic recovery to slow up.

* * *

IT IS difficult to see how the conference can boast of its accomplishments.

The list of delegates was imposing to say the least. Every provincial premier and treasurer in the Dominion, with the exception of Premier Hepburn of Ontario, was present. Mr. Hepburn's budget dictator represented him. Nearly every premier was accompanied by another minister and one or two deputies or advisers. In addition there were four federal ministers and a number of federal officials.

Such a conference could be expected to tackle the major problems of public finance. Yet most of the time was given over to administrative details which could as well have been dealt with by a smaller committee of Government officials. Many of the items were referred to such a committee in any event.

What the people of Canada had a right to demand from such a conference was not discussions on matters of minor importance, but rather solutions to some of our major problems.

It was up to the Dominion to take the lead. True, the Dominion ministers had to spend a great deal of time turning down some of the more imprudent demands of the provinces who were not backward in demanding that the Dominion give them new sources of revenue and at the same time take over the cost of relief and other social services. But the Dominion's duty was not to reiterate a successions of "No's" but to offer leadership in a debt refunding plan.

* * *

EXPECTATIONS are that the Dominion Government will implement one recommendation that came up, that a Royal Commission be appointed to investigate the economic and financial basis of Confederation. Such a course, in fact, must already have been given some consideration by the federal authorities.

The need of a survey such as has been proposed has been evident for some time. The dislocation of the past seven years has shown that the present governmental set-up in

(Continued on page 2, col. 3)

Old Country Won't Impose Dairy Quotas

Major Barrier in Way of New Treaty Removed

PROSPECTS BRIGHT

Canada Keeps Preference Under Proposed New Agreement

By Cable From Our Own Correspondent

LONDON.—The British Government has definitely abandoned its proposal to impose quotas on Canadian dairy products, The Financial Post learned here this week. Accordingly a major barrier has been removed toward extension of the Canada-U. K. trade treaty which expires next year.

With this barrier removed, negotiations toward a new pact which have been progressing for nearly six months, are now practically complete.

Although the date at which the new treaty will be announced is still uncertain it can be stated on good authority that there need be no occasion for further anxiety about the prospects of a mutually satisfactory agreement being reached. Formal announcement may be deferred until the Canadian Parliament meets next month.

It is understood further, that Canada retains all her preferences under the new proposed agreement. In return an enlarged market will be granted Great Britain in respect (especially) of certain textile and iron and steel items.

7,000 Names On New List Of Executives

Financial Post Directory of Canadian Directors Off the Press

E. H. Abbott, treasurer of Stanfield's Ltd., lives in Truro, Nova Scotia, and he has probably never met Adolph Zukor, chairman of Famous Players Canadian Corp. Ltd., who lives several thousand miles away, in Los Angeles, Cal.

But, notwithstanding that Mr. Abbott's name is the first, and Mr. Zukor's name is the last in the alphabetically arranged list of 7,000 Canadian corporation directors and officials, they meet between the covers of the 1937 edition of Canada's business "blue book."

Mr. Abbott and Mr. Zukor are typical of the men whose names appear in the roster of Canadian business executives, barons, baronets, knights, viscounts, doctors, lawyers and other professions represented by Canadian business leaders in the 388-page 1937 edition of The Financial Post Directory of Canadian Directors and Officials.

7,000 Names Listed

Fourth annual volume of what has become the recognized reference book of Canadian business executive personnel, the new edition has just left the presses of The MacLean Publishing Co. Ltd.

Of the 7,000 names listed, a few are women, acting as directors of various mining and industrial companies or as secretary-treasurers. Added too, are the officials of various stock exchanges and other organizations of a business type, but which are not incorporated companies.

Directors and officials of trust and loan companies are recorded alphabetically, as are those of fire,

(Continued on page 20)

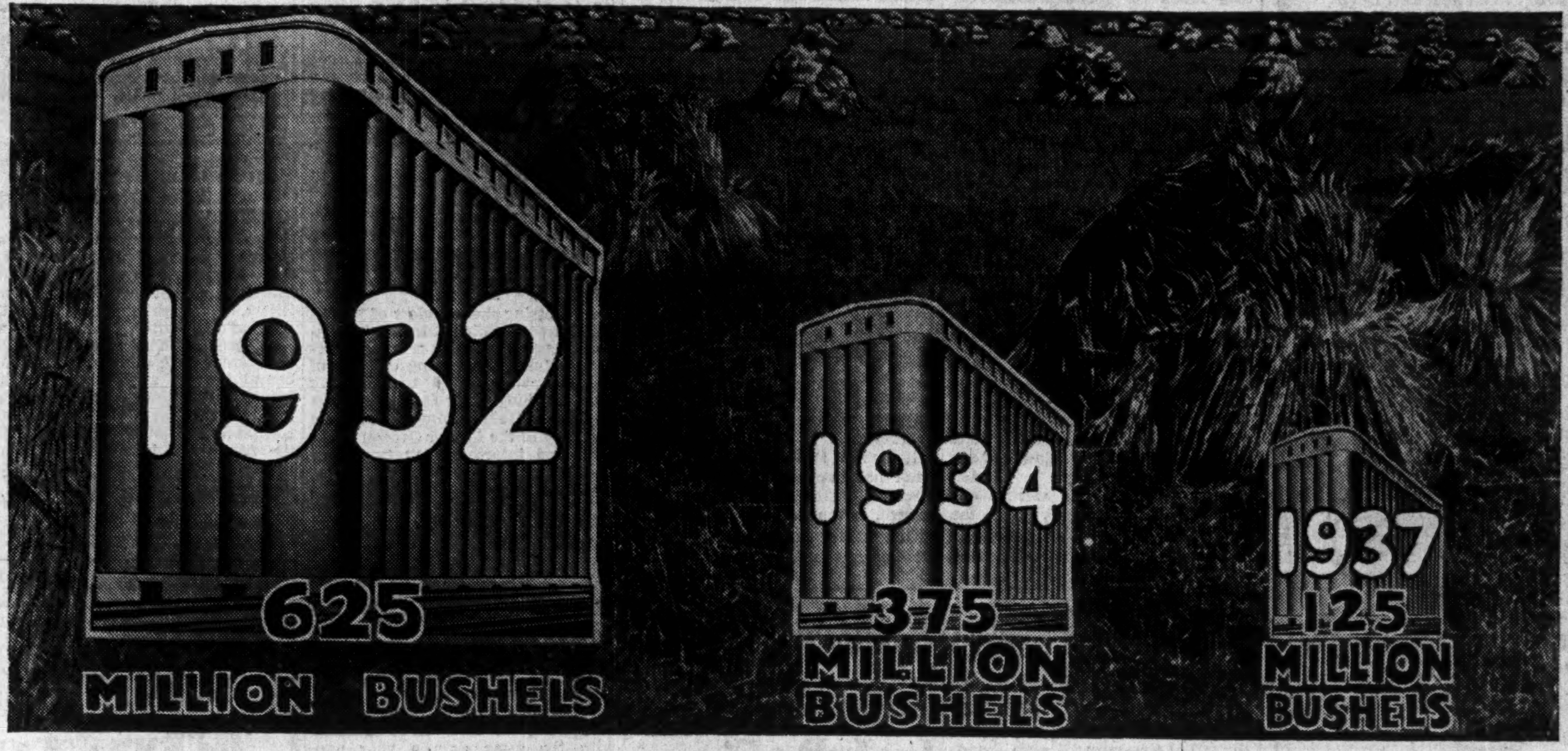
Standard Life Co. Will Repeat Bonus

Standard Life Assurance Co. has announced payment of a regular bonus of $21 per $1,000 of insurance for 1936. This is the tenth consecutive payment of this amount.

This is the annual compound bonus addition to the amount of insurance carried, and cash dividends on the company's policies are for a like amount. It is reported that on some of the company's older contracts, this bonus amounted to as much as $40 per $1,000 on the original sum assured.

It is reported that the company has sufficient reserves set up to continue payment of this bonus on at least the present scale for the next 20 years.

World Wheat Surplus Grows Smaller



November Exports At 7-Year High

A further substantial jump in exports featured trade returns for November, according to preliminary figures issued this week from Ottawa. The total of $121 millions was 28% higher than the same month last year and is the highest total since October, 1929. Imports were higher by 18% at $66 millions. This is the highest figure since May, 1931.

Summary of the week's figures follows:

Monthly:	October	—Change— From prev. period %	From prev. year %
Footwear prod., prs.	1,927,901	— 8	+0.8
Wheat flour exp., brls.	408,653	—11	—22
Wheat exp., bush.	33,308,840	+ 24	+ 25
Total exports*	$120,971,384	+ 7	+ 28
Total imports*	$66,172,752	+ 1	+ 18
*November.			
Weekly:			
Car loadings, No.	50,047	+0.9	+ 11
Cattle sales, No.	18,136	— 3	+ 6
Hog sales, No.	28,263	+0.6	+ 26

Eaton's and Simpson's Observe Boxing Day

Typical of the way in which Boxing Day observance is spreading in Canada is the programme planned by The Robert Simpson Co. and The T. Eaton Co. for employees on Dec. 26.

As in the past stores and factories of both companies will be closed in Toronto, and some other Canadian cities.

In Manitoba, there is now a provincial law on the statute books which makes it compulsory for all stores to close on Dec. 26 so that the practice of closing in Winnipeg will, of course, be followed.

In Regina and Saskatoon there are now municipal by-laws which require observance of the holiday.

In Montreal, Eaton's will this year close its store for the first time but in the Maritimes all properties will remain open with the exception of Halifax, where the store will close. The company's Moncton store will, therefore, remain open.

In other communities the company will follow local custom.

Coming Year May Bring Sell-out Of Entire World Wheat Surplus

3-year Onslaught Cut Carryover Below Normal — German Shortage

PICTURE REVERSED

By GORDON L. SMITH

Three years ago the granaries of the world were bulging with wheat; today the bottom of the bin is in sight.

Then, there was a full year's supply ahead; by next season the world may be sold out.

This situation has been intensified this week by reports from Germany of the failure of Hitler's self-sufficiency programme for the year and a consequent one million-ton shortage of wheat in the country. It was reported that Canada's import quota would be lifted though this report was later denied.

Picture Has Changed

There has been a complete reversal of the wheat picture since the summer of 1933. For some time previous to that year Nature had been prodigal. There had been some exceptional crops in Europe and the Western Hemisphere. The supply was more abundant than the apparent demand and so it piled into storage. Prices dropped and growers in the big producing countries became critical.

To the natural accumulation that always accompanies years of big yields there was added an artificial accumulation by the pools in western Canada and a government agency in the United States. Dissatisfied with lower prices, these organizations decided to hold, but the weight of their huge stocks, augmented by continued generally good world crops, soon created another depressing market influence and prices steadily weakened.

Peak in 1933

This sort of thing went on until by the end of the 1932-33 crop year on July 31, 1933, world wheat holdings reached a point never previously recorded. The International Bureau of Statistics estimated these at 625 million bushels compared with a normal of slightly under 200 and an average annual import of between 600 and 650 millions. In other words, had farmers in the big exporting countries like Canada, the Argentine and Australia decided that they would not grow a single bushel of wheat for export, in 1934, the world could have got along comfortably on its reserve. There was practically one year's full supply ahead.

Escaped Forced Sale

Faced with a similar situation, the average merchant of shoes, cars or even groceries would have advertised a sale. Had the world experienced a really bumper crop in 1934, had even two big producers harvested big returns, then there would have been no other alternative to forced liquidation.

But from 1933 on, the picture rapidly changed. Nature began to be less lavish in her favors. In the Argentine and on the North American continent heat and rust took a huge toll. Last summer's drought alone in the spring wheat areas of Canada and the United States cost producers easily 400 million bushels.

Notwithstanding generally above-average crops in Europe during this

(Continued on page 20)

WORLD WHEAT SITUATION

	Production	Available for export	Import requirements	End of season carryover	Average yield per acre Europe	North America	South America
	(in millions of bushels)				(In bushels)		
1926-27	3,396	...	812	191	...	...	...
1927-28	3,611	872	817	252	19.8	17.8	15.5
1928-29	3,926	1,124	888	444	20.7	12.6	11.3
1929-30	3,465	617	671	434	18.4	14.9	11.9
1930-31	3,744	890	826	499	18.9	15.0	13.5
1931-32	3,709	832	809	523	19.8	14.0	13.5
1932-33	3,744	730	629	625	22.5	11.0	15.6
1933-34	3,669	498	546	579	20.0	11.9	13.7
1934-35	3,380	323	533	376	20.0	11.9	12.3
1935-36	3,416	371	500	250	19.0	11.3	14.6
1936-37*	3,304	426	545	125	...	...	...
			Average	1923-27	18.0	15.4	13.0

* Forecast.

C. I. L. Dividend
From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd., has declared a final dividend of $2 a share on the common stock, bringing the total for the year to $6 a share, or the same as for 1935 and 1934. Previous payments this year were: $1 on March 31, $1.75 July 31 and $1.25 October 31.

Investment Guide Given For Christmas Shopper

The investment market opens a new field for the careful speculator in the coming week, a field in which he is almost sure to get the value of his outlay.

All stocks in this market have declared dividends payable Dec. 25. By careful thought and direction, however, the businessman and his family can pick articles which may pay bonuses and will provide almost inevitable appreciation and long-term security.

Christmas shopping may be undertaken in two ways. The stores are filled with men and women wandering about haphazardly, half dazedly, waiting for an inspiration. The wise man or woman sits down and carefully plans gifts according to his or her budget.

For the guidance of this latter class The Financial Post this week presents through its advertisers valuable suggestions for any shopper. Fur coats, dresses, men's clothing, hats, books, jewellery, confectionery, and accessories for every part of the routine of every-day life are included in the advertising columns on its inside pages. A careful scrutiny may save valuable time and add 100% to the appreciation of Christmas investment.

$21.3 Millions Sold in Annuities

A total of $21.3 millions in annuity business was transacted by the Government Annuities Branch in the fiscal year ended March 31, 1936, according to the annual report of the Department of Labor published last week at Ottawa.

This compares with $13.4 millions in preceding period. In 1934 total was $7 millions which at that time was a record high mark for the Department. The number of contracts sold in the fiscal period was 6,357 compared with 3,930 the previous year.

Analysis of the statement for the year shows it was necessary to transfer $271,827 from the Consolidated revenue fund in order to maintain the reserve.

Godfrey Finds Experts Guilty In L.B. Fiasco

Promoter of Centennial Proposition Also Criticized

ECHO OF PROBE

In the official report on his investigation into the affairs of L. B. United Mines, would-be platinum producer in the Michipicoten area, John M. Godfrey, Ontario Securities Commissioner, places most of the responsibility, "without the slightest hesitation," on A. Carr-Harris, consulting engineer for the company.

From the evidence, the Commission finds no real cause for criticism against W. R. Pratt, general manager of the company, or against the directors, all of whom he finds, acted with confidence in their engineer.

Of M. L. Lancaster, whose firm, Lancaster Bros. promoted this stock, the report states he is subject to criticism on two points; first, that he failed to tell shareholders and others of the negative platinum assays, and secondly, that he failed to mention in his market letters, the fact that the "gold brick" had been returned by the mint because it was not up to standard value.

The other figure in this strange mining drama, James Kelleher, also comes in for criticism.

The investigation was held as the result of controversy as to the existence of platinum in the Centennial mine, owned by L. B. United Mines.

The report, after reviewing the

(Continued on page 2, col. 4)

Highlights

Oil Boom

Investors, watch Calgary Exchange as new crude producers extend Turner Valley oil wealth. Page 10

Farm Plans

Ottawa plans to end Government regulation of agriculture. Page 17

Personalities

Sketches of personalities in the news of the week, Page 9

Ottawa Conference

Dominion holds tight to its taxing powers. Page 11

Massey-Harris

What are prospects? Analysis of company. Page 3

Investor's Index

INDUSTRIALS AND UTILITIES

Abitibi	12	Kelvinator	4
Alta. Pac. Grain	4	Int. Lake Trans.	20
Asbestos Corp.	4, 8	Inv. Foundation	5
B. A. Oil	4, 12	Imp. Oil	12, 20
B. C. Power	5	Jamaica P. S.	2
Bank of Montl.	9	Loblaw	8
Biltmore Hats	8	Loew's, London	8
Bk. of Canada	15	Lloyds	7
Brewing Corp.	8	Melchers	3
Brew. & Dist.	3	Marcus Loew's	8
Crown Will.	4	Massey-Harris	3
Can. Car	12	Montreal Life	11
Can. Bronze	12	Mortgage Fin.	12
C. G. E.	20	Mutual Life	14, 20
C. P. R.	4	Nat. Steel Car	12
Can. Airways	12	Nat. L. & P.	8
Can. F.-Morse	12	New York Life	14
Can. Wire	12	N. S. Steel	12
Can. Locomotive	11	Ottawa Pwr.	12
Canada Life	20	Ont. Bldg. Ltd.	5
Can. Canners	4	Page-Hersey	4
Celluloid Corp.	8	Paramount	4
Celanese Corp.	8	Provident Ass.	14
Cons. Paper	5, 12	P. T. Legare	8
Confed. Life	14	Regent Knit.	12
Crown Life	14	Robt. Simpson	12
D. A. Stuart Oil	4	Russell Motor	12
de Havilland	12	Sh.-Williams	12
Dosco	7, 12	Standard Life	1
Dom. Scottish	5	St. Cath. Imp.	13
Dom. Rubber	12	Stobie Forlong	12
Dom. Stores	3, 4	Sun Life	14
Dom. Glass	13	Tip Top Tailors	4
Donnacona	20	Toronto Dairies	12
Dom. Tar	4	Tuckett Tob.	12, 17
Dom. Found.	2, 13	U. S. Fidelity	14
Ford of Can.	8	United Steel	13
Fraser Coys.	12	Union Gas	4
Gypsum, Lime	13	Walker's	4
Gen. Motors	11	Wabasso Cotton	8
Gt.-West Life.	14	Wings Ltd.	12, 17

MINES AND OILS

Argosy	19	Lake Gold	2
Anglo Can. Dev.	10	Lake Rowan	19
Ardeen	18	Malartic	18
Algoma Summit	18	Monarch Royal	10
Arbade Gold	18	Nor. Can. Mining	18
Acme Cad.	19	Northfield Mng.	18
Bulolo	19	Noranda	18
Barry-Hollinger	19	New Goudreau	19
Bousquet	18	Okalta Oils	10
Can. Slate	19	Otter Lake	18
Central Pat.	18	Parkhill	18, 19
Coniagas	11, 19	Pamour	18
Cons. G. Alluv.	19	Paymaster Cons.	18
Cons. Chiboug.	19	Porc. Triumph	18
Can. Mng. Corp.	2	Perron Gold	2
Duport	11	Royalite	10
Darkwater	18	Rubec	18
East Malartic	18	Sladen Gold	18
Falconbridge	19	Siscoe	11
Foundation Pete.	10	Slave Lake	11
Great Falls Cons.	18	Sherritt-Gor.	19
God's Lake	18	Stadacona	19
Gateway Pat.	19	Sterling Pacific	10
Goldale	18	Tashota G'fields	18
Gunnar Gold	18	Teck-Hughes	4
Grozell Kirk.	2	Thompson-C.	18, 19
Halliwell Gold	18	Turner V. R.	10
Int. Mng. Corp.	18	Vidette	19
Lakman	19	Young Shannon	18
L. B. United	1		

QUOTATIONS

Bonds	18	Mines	16
Grain	17	Stocks	16
Foreign Exchange	20		

REGULAR FEATURES

Banking	15
Business	7
Bond Markets	5
Company Reports	8
Construction	13
Editorial	6
Grain	17
Insurance	14
Investment Analyses	3
Investment Trends	4
Investment Notes	4
Investment Enquiries	12
Mining	18, 19
Municipal Finances	5
New Building	13
New Mining Companies	19

Quebec Minister Frowns On Stealing of Plants

MONTREAL.—Any effort of communities in Quebec to attract established industries from each other by means of tax commutation, is strongly disapproved by Hon. William Tremblay, Quebec Minister of Labor. Such activity, he stressed, means ruin of industry in Quebec instead of its upbuilding on a sound economic basis.

Tension Eased By Abdication London Feels

Former King's Friendliness to Hitler Worry to British Cabinet

FRIENDS SUSPECTED

Simpson Issue Regarded as Providential in Diplomatic Quarters

By Cable From Our Own Correspondent

LONDON.—While a poignant regret over the fantastically unprecedented events of the past week is the dominant feeling in the hearts of the British people there is undoubtedly a widespread feeling of relief in well-informed circles that things have turned out as they have.

Since Edward VIII's accession to the throne, anxiety has been growing in inner circles in the United Kingdom lest open conflict develop between the Crown and Parliament.

Personal Popularity

In part this feeling grew out of a recognition of the unprecedented personal popularity of King Edward, a popularity that could have been turned to great advantage to British trade and the British democratic system had the King's judgment and his recognition of the limitations and responsibilities of his position been such as to arouse confidence. But such confidence was lacking.

It was lacking in the first place because of the King's choice of friends. That group of West End socialites, described by The Times as "exotic," and among whom Edward was the chief playboy, has been regarded by British leaders with growing suspicion. Their complete rejection of Victorian standards went too far and became something of a social menace in Britain.

Constitutional Niceties

Edward was known to have become increasingly impatient with the duty imposed upon him of observing the constitutional niceties. He made a number of public statements without prior consultation with the cabinet, some of which proved very embarrassing to the Government.

He refused to accept cabinet advice as to his personal tours. His comments during his visit to the distressed areas in Wales were particularly unfortunate from the viewpoint of the cabinet, which has been attempting to grope toward a solution of the peculiarly difficult problems of the industrial black spots which have resisted the normal curative forces of recovery.

Fascist Sympathies

Edward also caused concern in higher circles by his known sympathies for Fascism and much anxiety has resulted from his personal liking for Hitler. Well-informed London believed that the appointment of the socially gifted Herr Joachim von Ribbentrop as Germany's ambassador to Great Britain was a strategic move by Herr Hitler to cash in on Edward's friendly feeling toward the Nazis.

In retrospect London believes that the crisis came providentially. There was no question that the King's affection for Mrs. Simpson was an authentic love affair and no one questions the broad outline of the events as related by Prime Minister Baldwin. But the Simpson affair came while the ex-King was still conscious of the constitutional position he inherited from his father. Had it come in another few years the outcome might have been different.

There is little public enthusiasm for the new King but those who know him are convinced that he will carry on the monarchy in the traditional manner and will quickly restore its prestige to the high pinnacle it achieved during the régime of King George V.

A recent bulletin of the Whaley-Eaton news service from Washington treats the abdication of Edward VIII as follows:

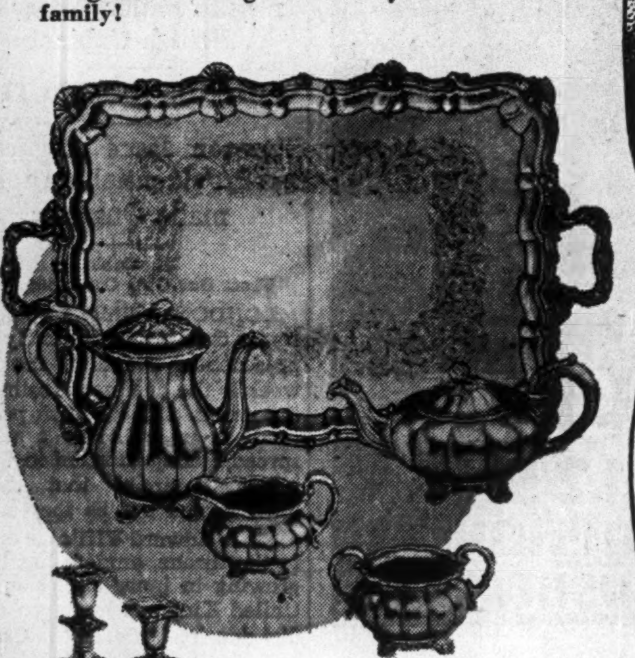
"The foreign policy (even domestic policy) of the Baldwin Government has been seriously handicapped by the interference of the

(Continued on page 2, col. 3)

Gifts

Silver, stockings, and a "Ciné" are sketched here to give you a glimpse at some samples of the scores of lovely gifts you will see at EATON'S!

It's nice to shop in full confidence that you will get good value in your gifts . . . especially when buying unfamiliar things. That's why it's so wise to buy all your gifts at EATON'S . . . *his* gift . . . *her* gift . . . and gifts for all your friends and family!



Sheffield Reproduction Trays—All popular designs in stock. Sizes 20" to 24". Each $35.00 to $75.00.

English Tea and Coffee Set—Copy of a set made by a London silversmith of 1827. Melon shape. Set of tea, coffee, sugar, cream. $100.00.

Sheffield Reproduction Candlesticks — Scroll design.
About 5" tall. Pair $10.00.
Main Floor—Yonge St.

"Vanity Fair" hose of flattering quality . . . 2 thread 51 gauge chiffon . . . exquisitely fine . . . or as a gift for conservative older women, the same brand in 14 thread extra heavy service weight. Pair $1.50. Four pairs for $5.70.
Main Floor—Yonge St., also College St.

Ciné Kodak—small in size and cost—but splendid in results! Speedy enough for movie-making under all average outdoor conditions. Anastigmatic 3.5 lens. EACH $39.50. Takes 8 MM film.

Kodak Junior Six 20—Slender, smart and compact! No. O Kodak shutter (speeds 1-25, 1-50 and 1-100 second) Kodak Anastigmat F 6.3 lens. Pictures—2¼ x 3¼". EACH $14.00.

MAIN FLOOR—JAMES ST.

THE T. EATON Co LIMITED

The Nation's Business

(Continued from page 1)

Canada is obsolete. The allotment of sources of revenue and governmental responsibilities by the B.N.A. Act did not contemplate the extension of Government activity into many present fields.

Consideration will have to be given to the position of municipalities as well as to the division of authority between the provinces and the Dominion. Students of taxation are convinced that property taxes in Canada are too high, that they are in fact destroying property values. It was never intended that real estate should be taxed to provide funds for social welfare expenditures of present proportions.

* * *

THE proposed commission would, of course, give special consideration to the problems of the Prairie Provinces since they have greater need of additional sources of revenue.

The Federal Government should lose no time in appointing the proposed commission. Great care should be taken, however, to see that only the best men available are appointed. It should be headed up by an outstanding British jurist or economist whose independence and authority could not be challenged.

* * *

Moral Standards of Our Democracy

WERE it not for the elements of high tragedy and low comedy in what has happened in London during the past two weeks, one could be almost happy that the crisis came. It provided an opportunity for profoundly convincing demonstration of some fundamental facts that needed stressing at the moment.

One fact is the unity of the Empire. The Dominions have been tempted to flaunt their independence of recent years in the manner of a young man twirling his first moustache. But in these last few days there has been no separatism on display. Can any would-be aggressor among the nations have overlooked the force and significance of this demonstration of the continuing strength of imperial unity? The manner in which the British nations met their joint constitutional crisis provides the pattern of the action they will take if a greater crisis should arise.

* * *

BRIGHTLY illuminated, too, has been traditional Anglo-Saxon morality. Stanley Baldwin spoke for the people of Britain and all the Dominions when he rejected an almost fantastic marriage proposal that would have brought British social and moral standards down to the level of those of the pre-war generation of Europe's immoral aristocracy and the post-war generation of foreign-born exploiters.

When they insisted upon high standards of conduct and good taste in their sovereign, the British peoples demonstrated that their democracy rests upon a basis of character.

It is not too much to say that what has happened has raised the prestige of the British democratic system, of the British social system, of the statesmen of Britain and the Dominions to new heights.

Dominion Foundries Plans Four for One Stock Split

Shareholders of Dominion Foundries & Steel Ltd. will meet at Hamilton Dec. 23 to consider proposals to change each present common share of $100 par value into four new common shares of no par value.

The 50,000 authorized shares would be increased to 200,000 and the 24,000 outstanding would become 96,000 shares.

C. W. Sherman, president, in a letter to shareholders, states that directors are considering sale of 36,000 additional shares of common stock and giving the common shareholders and employees an opportunity to participate in the purchase after the change of capital is approved.

The present common stock has been selling around $80 a share, and the new stock would, therefore, have a relative price of about $20 a share. Sale of 36,000 shares, at, say, $10 to $15 each, would give the company additional capital of $360,000 to $540,000.

Capital Raised

Mr. Sherman states that the company has issued $600,000 of 4½% notes maturing serially over five years to defray heavy capital expenditures for making useable steels such as cold reduced steel, including tin plate.

Combining sale of new common shares with the proceeds of notes, the company would have raised a total of $1 million or more of new capital in connection with its expansion.

The new products give diversity to the company's production which formerly consisted largely of heavier types of steel plate, castings and forgings.

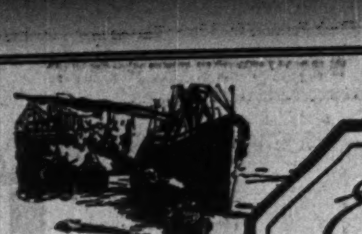
Kirkland Lake Gets $60 Gold

Addressing shareholders of Northern Canada Mining Corp. at the annual general meeting recently, Victor H. Emery, managing director of the company, stated that drilling from the long drive from the Kirkland Lake Gold Mining Co. into the property of the former Grozell Kirkland had intersected 12 ft. of ore running at $60 per ton. While this was only one drill hole, he pointed out, it gave distinct encouragement. This crosscut has now progressed 900 ft. with 1,700 ft. additional thought to be necessary before the expected ore zone will be reached.

Perron Completes Addition to Mill

The new addition to the mill at Perron Gold Mines in Pascalis section of northwestern Quebec is now complete, except installation of two filters, one of which is being installed and the other has arrived at Senneterre. The new ball mill, agitators, and thickeners are now in operation and at the end of the month, daily tonnage was over 200 tons. J. P. Norrie states that high recoveries cannot be expected until the filters are installed when the tonnage of the mill will be raised to 300 tons daily.

November production was 1,042,443 ounces for $36,485.



Exporters

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HEAD OFFICE, MONTREAL

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Reliance Grain Offers $1.4 Million of Bonds

A refunding issue of $1.4 million of Reliance Grain Co. bonds is to be offered shortly by Nesbitt, Thompson & Co. The issue will consist of $400,000 of five-year 3% serial bonds and $1 million of 15-year 4½% bonds. The new bonds are to be offered at par.

Proceeds of the issue will be used to redeem $1,663,000 of 6% bonds which have been called for redemption on Jan. 2, 1937, at 105.

Tension Eased By Abdication London Feels

(Continued from page 1)

King (Edward VIII). He has held his own ideas as to the treatment of Germany and of the depressed Balkan areas. He was beginning to play politics on something of the scale undertaken by Edward VII who prepared the Anglo-French Alliance in advance of the world war, but without the ability of his grandfather.

"For months it has been the inside talk in London that the general world crisis could be faced with greater equanimity and more assurance of peace, were there a less self-assertive King-Emperor and greater warranty of less amateurish meddling with affairs of state.

Providential Solution

"Very important Britishers, although hardly envisaging abdication, were wondering how the difficulty could be settled and in such a way as thoroughly to vindicate parliamentarianism and democratic institutions. The emergence of the Simpson matter seemed, to these groups, to be providential and they were quick to take advantage of it.

"In the city and elsewhere and in France, the abdication is regarded as a highly constructive solution of an especially delicate problem that was becoming constantly more annoying. It is intimated that Mr. Baldwin, who was scheduled for retirement after the coronation in May, may now make way earlier for Mr. Chamberlain."

Nordic Hosiery is planning an extension to its factory at Granby, Que., by which the company will be able to add eight more machines at a cost of about $9,000 each.

Godfrey Finds Experts Guilty In L.B. Fiasco

(Continued from page 1)

evidence (fully covered in The Financial Post, Dec. 5 issue), and the finding of Colin Campbell, commission engineer, to the effect that there was no platinum in commercial quantities at the mine, states:

"Unfortunate Fiasco"

"The Commission has not the slightest hesitation in coming to the conclusion that practically the entire responsibility for this unfortunate fiasco and the waste of the shareholders' money must be placed upon the consulting engineer, Mr. A. Carr-Harris. It seems incomprehensible with the knowledge of present mining practice that with only the one assay of ore made by Mr. Kelleher, which showed .84 oz. per ton, and the slight confirmation of this by the assay of Colin G. Fink, any reputable engineer should have advised this company to build an expensive mill, undertake all the expense of its operation and take the responsibility of stating to the manager and the directors that in three months they would have an income from operation of from $8,000 to $9,000 per day. There seems to have been more than incompetency shown by the engineer. His advice under the circumstances might be described as stupid. No competent engineer would ever recommend the building of a mill on the finding of one high-grade gold sample. Almost invariably before a mill is recomended very extensive sampling is undertaken. Hundreds, and sometimes thousands, of samples are taken and assayed in order to demonstrate the presence and extent of a profitable ore body. The same procedure should have been followed in the case of this alleged platinum mine. The lamprophyre dike should have been systematically sampled over large areas in order to determine that platinum in commercial quantities was disseminated through that particular kind of rock. This was not done and the disaster which followed was the result.

"The sampling done by the directors at the time of Mr. Campbell's examination did not show platinum in commercial quantities. This sampling cost $2,000. If this money had been spent at the beginning, the money wasted in pursuing the platinum will-o'-the-wisp would have been saved, or, what is more important, would not have been extracted from the pockets of the public."

"Supreme Faith"

The commissioner refers caustically to the "process" by which James Kelleher claimed to be able to extract a commercial platinum concentrate from the Centennial ore.

"This is not the first time Mr. Kelleher has been under investigation with regard to his assaying methods," the report states, referring to the Delta Mines and Metals case of some years ago. "It is very doubtful if he has any new or useful process. He certainly has not demonstrated it in the case of extracting ore from the Centennial mines . . . A large mill was not necessary to provide him with the concentrate necessary for his experiments, but apparently in the supreme but unfounded confidence which he had in his own ability, he permitted one to be built."

Mr. Godfrey points out that while Lancaster made substantial profits in the sale of stock, he had advanced by way of a loan, $46,000 to the company. This money will not be repaid to him, the Commission rules, unless Centennial proves to be a gold mine, or the other assets of the company become valuable.

Of the company and its future Mr. Godfrey states:

"In addition to the Centennial Mine the company owns 1,200,000 shares in the Lancour company in the Porcupine area. This property is near the Pamour, a producing mine. The company also had $25,000, which it received at the time of the transfer of its claims to the Lancour company. This money was held, to be released with the consent of this Commission. $5,000 has been released in order to sample Centennial Mines and to pay the costs of Mr. Campbell's inspection and other expenses. An arrangement has been made with Mr. Lancaster that the money may be released to carry on further development at the Centennial, but not as a platinum prospect. None of this money is to be used to repay Mr. Lancaster.

"A meeting of the shareholders of L. B. United Mines has been called for Dec. 18, when, no doubt, plans will be discussed for the future development of the Centennial Gold Mines property."

Jamaica Public Service Improves Liquid Position

MONTREAL. — Jamaica Public Service's consolidated balance sheet as at Oct. 31, 1936, in comparison with the same date a year ago, shows a marked improvement in liquid position. During the last 12 months cash and call loans increased by $40,000; accounts receivable $10,000; materials and supplies on hand, $4,000, while a reserve of $25,799 has been set up as a sinking fund of the debenture stock. This improvement is reflected among liabilities in an increase in the retirement reserves of $69,155.

Subscribers Active In Bankruptcy Case

Two subscribers have filed petitions against Manufacturing Lumbermen's Underwriters, a Missouri reciprocal exchange which recently was placed in voluntary bankruptcy. Action of the subscribers is viewed as an attempt to carry to the federal courts the contention that they should be considered as preferred creditors.

Bankruptcy of the reciprocal is being contested by R. E. O'Malley, superintendent of insurance for Missouri.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Ontario	Dec. ...	Wood, Gundy & Co., Dominion Securities, A. E. Ames & Co.	3%	1951	$20,000,000	*99.75	3.02%
Prince Edward Island	Dec. ...	Royal Bank, Gairdner & Co.	3%	1946	250,000	....	.....
Municipal—							
Montreal West	Dec. ...	McTaggart, Hannaford, Birks & Gordon	3½%	1937-56	$210,000	101.09	.....
Dominion—							
Canada Treasury Bills	Dec. ...		....	Mar. 1937	25,000,000	99.81	.747%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Jamaica Banana Producers Ass'n.	Dec. ...	W. C. Pitfield & Co.	3%	Ser.	£350,000	....	.....
Stock Issues—							
Ault & Wiborg Proprietary	Dec. ...	Royal Securities Corp.	5½%	Pref.	$500,000	100	5½%
Globe Mines	Dec. ...	Bonded Corporation	....	....	300,000 shs.	$1	....
D. A. Stuart Oil	Dec. ...	Bankers Bond	....	Pref.	38,566 shs.	$12.50	.....

*Offering price.

To Flutter Hearts

Christmas Day

NEVER breathed a woman whose heart didn't skip a beat — who didn't indulge in a few rapturous "Ohs" — when something exquisite and lavish emerged from tissue wrappings! So we're "to-doing" the utterly feminine . . .

The hostess gown is turquoise velvet with matching satin slip—prodigal of exquisite ecru lace—$45.

The nightgown is diaphanous chiffon —with the lines of an Original — glamorous with black lace—$25.

The Elizabeth Arden Evening Bag is gorgeous in brocade—29.50.

Black or white satin mules have gold and silver pipings—$6.

Prince Matchabelli Perfume in the dramatic crown—$20.

A French hand-made slip—frothing with lace—14.95.

Simpson's

News of Investments - - Analyses

Dom. Stores Loss Small This Year

Precludes Any Dividend Payments for the Present

SALES INCREASE

Dominion Stores Ltd. will show a small loss for 1936, it is understood. Earlier anticipations had been that a profit might be possible this year. The question of a dividend has been in doubt because of the lack of earnings, and it now seems certain no payment will be forthcoming for shareholders at present.

In 1935 the company had a total loss of $610,342, equivalent to $2.18 a share. The 1936 loss will be negligible in comparison with last year. For the 24 weeks ended June 13, 1936, the company reported a net loss of slightly under $37,000, compared with a loss of slightly over $370,000 in the same period of 1935.

Sales Increase

For the first 11 months of 1936, sales are reported 9.06% ahead of the corresponding period of 1935. Working capital has remained above $2 millions. Because of this comfortable liquid position, there had been some expectations of a dividend if any earnings were realized this year. The company's strong cash position still leaves it able to pay a dividend when earnings materialize. The outstanding capital consists of 280,014 common shares, there being no senior securities calling for fixed payments.

The company operates nearly 500 retail food stores; about 100 are in the Montreal area. Operations are also conducted in the Maritime provinces. There are more stores in Ontario centres, however, than elsewhere.

Melchers Plans Change in Stock

Arrangement Takes Care of Dividend Arrears on Class A

From Our Own Correspondent

MONTREAL.—Plans for the capital reorganization of Melchers Distillers Ltd. will be officially announced shortly.

Last June a scheme was put forward by the company, but this was strongly opposed by the preferred shareholders protective committee. Disagreements between the various factions are said to have been settled and the revised plan will be much along the following lines.

At the present Melchers has outstanding 100,000 shares of class A $2 cumulative participating no par value shares, on which dividend arrears amount to $11 a share, and 50,000 shares of class B $4 non-cumulative no par value stock. Voting control of the company is held by the class A shareholders.

Cash and Stock

For each share of class A stock, the holder will receive 1¼ shares of new 60-cent cumulative shares of the par value of $10 each and $3.50 in cash, of which $3 will be paid upon acceptance of the plan and 50 cents within a year.

This will mean the issuance of 125,000 of the new 60-cent cumulative shares, together with $350,000 in cash.

The outstanding B shares will receive 1¼ B shares for each share held. Voting control reverts to the holders of the B stock, which will elect four out of seven directors, unless preferred dividends are two years in arrears.

The plan further provides that the A stock will participate with the B stock in earnings, after 90 cents a share has been paid on the latter stock.

Melchers' last balance sheet, dated December 31, 1935, indicates the company would be able to carry out this plan, especially as regards the distribution of cash without difficulty. At that time the company had practically no current liabilities, while cash and call loans totalled $240,143. In addition there were accounts receivable of $84,169 and inventories of $697,133. The total of current assets was $1,021,445, as against current liabilities of $693.

Montreal Curb to List Brewers and Distillers

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has approved for listing new shares of Brewers and Distillers of Vancouver Ltd. They will be called for trading about the end of this month. The listing covers 608,984 shares of common stock of $5 par value each, all issued and outstanding. The company's previous capital stock, 6,089,840 shares outstanding, was changed into the present by supplementary letters patent dated Oct. 29, 1936. The conversion was effected by giving shareholders one new share for each 10 old shares held.

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Investment Analysis

Massey-Harris Co.

Securities Should Be Appraised With Regard to Agricultural Income Throughout World — Advantages of Preferred

The outlook for Massey-Harris Co. remains dependent largely upon improvement of agricultural income on an international scale but especially in Canada.

The company, which is the largest manufacturer of farm implements in the British Empire, closed its fiscal year on Nov. 30. Precise results will not be available for some time, but T. A. Russell, president, stated recently that the increase of more than 30% in sales for the first half year was not maintained throughout the 12 months. However, he expected results for the full year would not compare unfavorably with those for 1935, which is interpreted to mean an improvement.

Comparative Earnings Figures

The indications are that the company will again be able to show bond interest earned before depreciation and that after all charges there may be a reduction in the loss to add to the accumulated deficit. Comparative results in recent years have been as follows:

Massey-Harris Results, Years Ended Nov. 30

	1935	1934	1933	1932	1931	1930
	$	$	$	$	$	$
Total income	914,914	181,208	*1,420,865	*1,788,010	*1,523,149	896,027
Less: Depreciation	419,080	493,511	502,344	621,120	767,686	588,214
Int. on borrowings	69,657	165,074	339,123	465,069	565,567	512,657
Bond int. & expense	480,376	464,126	473,522	505,397	539,199	573,082
Inc. taxes (foreign)	46,761	14,609	......	......	......	......
Taxes	......	......	......	......	......	......
Pension fund	106,211	125,650	145,411	98,983	146,032	144,584
Bad debts	590,273	713,924	424,477	348,933	501,781	996,067
For exch. & conting.	643,250	414,314	......	......	......	328,863
Net loss	1,420,694	2,210,000	3,305,742	3,827,512	4,043,414	2,247,440

*Deficit.

There have been no earnings on either preferred or common shares since 1929. In that year profits were equivalent to $22.11 a share on the preferred and $2.68 a share on the common. The deficit had grown to $22.1 millions last year, practically eliminating any book equity for the common. Despite the improvement of the past two years, this does not seem very encouraging. But there are brighter aspects in the company's situation.

Brighter Features

First of all, the management is youthful and energetic, yet has lengthy experience in the business. Second, the prolonged depression of agriculture has been creating the largest potential demand in years for farm implements to replace obsolete and worn-out equipment. Meanwhile, the company's main plants have been maintained in condition to handle what increased business may ultimately be forthcoming. Finally, the company has been able to retain substantial working capital despite enormous losses and write-offs in the depression.

Last year the net liquid assets were $18.6 millions, amounting to over $78 a share for the preferred after deducting the amount of outstanding bonds. Changes in the liquid position and in the equities for the securities are set out below:

Liquidity and Book Equities

	1935	1930
Current assets:	$	$
Cash	1,258,077	1,290,387
Receivables	10,109,914	26,042,167
Securities	491,067	......
Inventories	8,895,681	21,933,879
Australian items	......	3,445,037
Total	20,754,739	52,711,470
Current liabilities:		
Bank loans	......	7,980,486
Payables	1,129,392	3,547,342
Due to agents	795,726	......
Accrued taxes	208,170	136,635
Total	2,133,288	11,664,463
Net current assets	18,621,451	41,047,007
Capital liabilities:		
5% bonds	8,700,000	9,727,500
5% gtd. bonds	378,900	686,100
5% pref. stock	12,089,900	12,089,900
Common stock (shs.)	729,409	729,409
Equities:		
Per $1,000 bond	$3,107	$5,180
Per $100 pref. share	151.60	336.29
Per common share	0.27	25.97

The value of assets per share still leaves unsettled the real investment merit of such shares as those of Massey-Harris. It is a reasonably good rule for the investor to judge the merit of stocks largely on what they can earn and pay to shareholders, rather than on assets, which, after all, must be retained in the business if operations are to continue.

Possible Earnings

Massey-Harris has been earning nothing at all on its shares so the big questions for the investor are, what is the company capable of earning and will it be realized?

The question of what the company can earn in a reasonably good year for its farmer customers is pretty well answered by the results in 1929. The puzzle of what the company may actually realize in earnings in 1937 and subsequent years is more difficult, and depends to a large extent upon indeterminate future conditions not only in Canada but throughout the world.

The company's operations are world-wide. In addition to hundreds of agencies, the company either owns itself, or controls through subsidiaries, nine plants and 40 sales agencies as well as sub-branches and warehouses in Canada, the United States, Australia, Europe, South Africa and South America. Manufacturing plants are as follows:

	acres
Toronto, Ont., main plant	28
Brantford, Ont., binders, mowers	28
Brantford, plow plant	27
Woodstock, Ont. (closed)	20
Weston, Ont. (closed)	20
Batavia, N.Y., implement plant	48
Racine, Wis., tractors, plows	11
Marquette, France, implements	25
Westhoven, Germany, implements	14

Earnings are affected not only by crops and farm income around the world but also by international exchange rates. Happily the risks in exchange appear to have diminished in the past year or two.

Agricultural Income

Agricultural income has been improving in most of the company's markets and this is reflected in recent gains in sales and earnings. But volume still remains far below what may be considered normal. The importance of farm income to Massey-Harris makes it necessary for the actual or prospective investor to pay close attention to crops and crop prospects.

The small size of western Canada's crops this year has been disappointing, but due to higher prices it is expected that total farm income in both eastern and western Canada will be somewhat higher than last year. Unfortunately, the revenue has not been as widespread as could be desired and is still almost nil in the worst of the western drought areas. Thus the prospects for increased sales of implements in Canada have improved, but remain below normal.

Situation Abroad

As to Australia, the wheat crop this year promises to be fairly good. Total farm income may improve because of higher prices, but the prospects for increased sales of farm implements are considered only fair. In both Australian and European markets, Massey-Harris now depends for its business largely upon its subsidiary companies because tariffs have virtually shut out its Canadian-made implements.

There is still some conflict of opinion on the size of the crop now almost ready for harvesting in Argentina, which is an important market for the company. Prospects for improved sales in this territory appear good because the 1935 crop was one of the poorest on record and the coming one will be of average or better size.

In the central and northern United States, crops have been disappointingly small, but one of the best wheat yields in years was harvested in Kansas and adjacent states last summer. This and higher prices for crops have boosted farm income substantially. Consequently the outlook for improved sales from American plants is not unfavorable.

Hopes for Crops

As has been the case for several years, the big hope for sharp improvement in Massey-Harris earnings is that farmers in western Canada will get good crops in 1937 and will be able to sell them at substantial prices. This is one of the biggest question marks in the Massey-Harris outlook, and one that cannot be settled before next summer. All told, however, the crop prospects and the improvement of prices for farm products throughout the world indicate that the company should be able at least to maintain the recent recovery of earnings.

Two other important influences on earnings are less favorable. One is the reduction of Canadian tariffs on farm implements. This has not altered prices for the company's products materially, but it does divide the available sales among a larger number of competing firms. By making it more difficult to maintain sales volume, therefore, the effect of the tariff changes is a tendency to raise the company's costs per unit. The other adverse influence is the direct rise of costs due to higher prices for materials and to rising wage rates. As in other industries, these rising costs may be reflected in higher implement prices.

The outlook for sales and earnings, therefore, may be summarized as good but hardly sensational. A good Canadian crop in 1937, however, would make the prospect much better.

Munitions Rumors

Repeated rumors in financial quarters that Massey-Harris Co. will manufacture munitions have apparently been partly responsible for recent strength in the preferred shares. While it must be granted that this is one company which would be capable of handling this type of business, officials have denied emphatically that any munitions orders have been received.

Position of Securities

Outside of the small amount of $378,900 in guaranteed 5% bonds which are gradually being retired, the only Massey-Harris bond issue is $8.6 millions of 5% bonds due in 1947. The issue was originally $12 millions in 1927, but was reduced by semi-annual sinking fund payments of $300,000 each. Sinking fund requirements after April 15, 1933, were defaulted, and the terms of the fund were readjusted this year by agreement of bondholders.

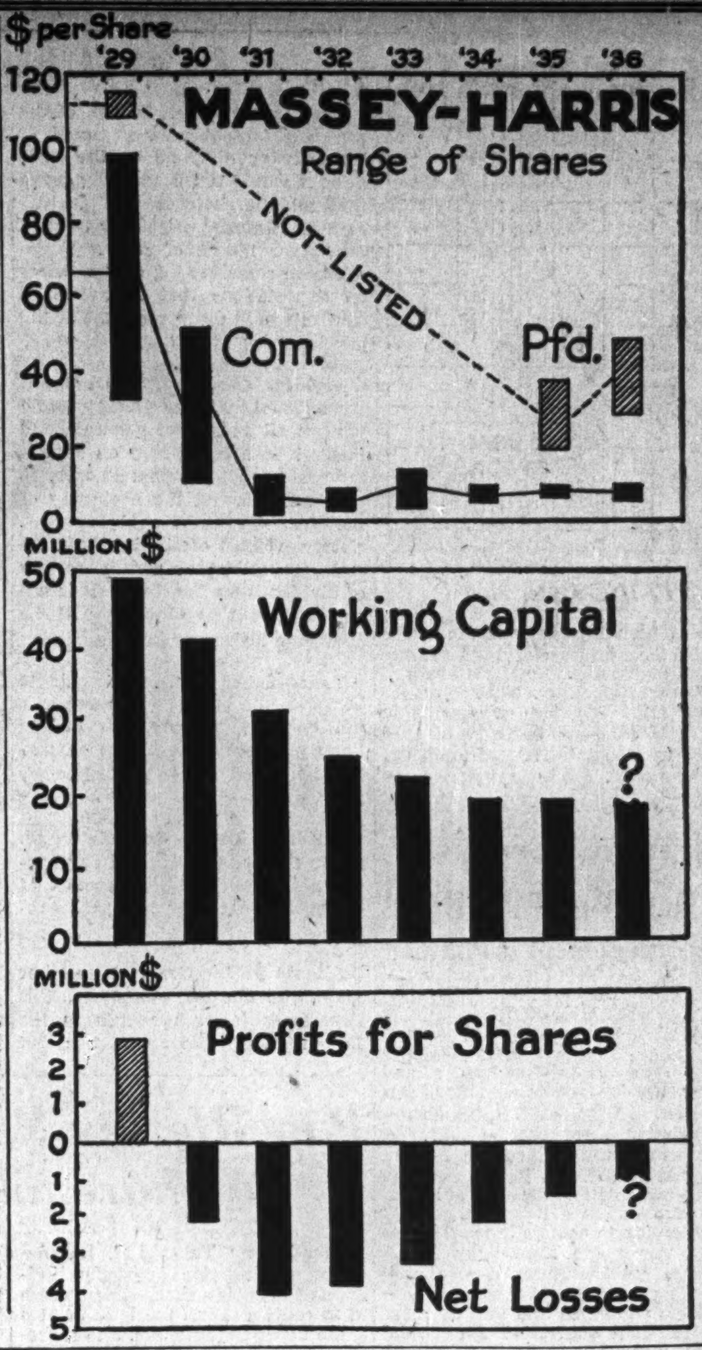
Starting Oct. 15, 1936, the company must redeem $100,000 of bonds annually until 1941; $125,000 annually from 1942 to 1945; and $150,000 in 1946 and in 1947. Moreover, the company must have paid the sinking fund installments and redeemed $2 millions of bonds before any dividend may be paid.

The effect of this arrangement is to lighten the company's sinking fund burden. But it also prevents payments on the shares until large redemptions have been made. This provision could be overcome, if conditions were good enough, by redeeming all the bonds and refinancing them with a new bond issue. This is not probable under present conditions but is a possibility.

Advantages of Preferred

The preferred shares now carry accumulated arrears of dividends of 30%. There is a possibility that when earnings recover further these arrears will be funded in some sort of capital reorganization. Meanwhile the sinking fund provisions prevent any immediate cash returns to shareholders.

The common shares are therefore in the dubious position of having practically no book equity in assets and no claim on present or prospective earnings. This could be altered, however, if preferred arrears were eventually capitalized, followed by substantial recovery of earnings.



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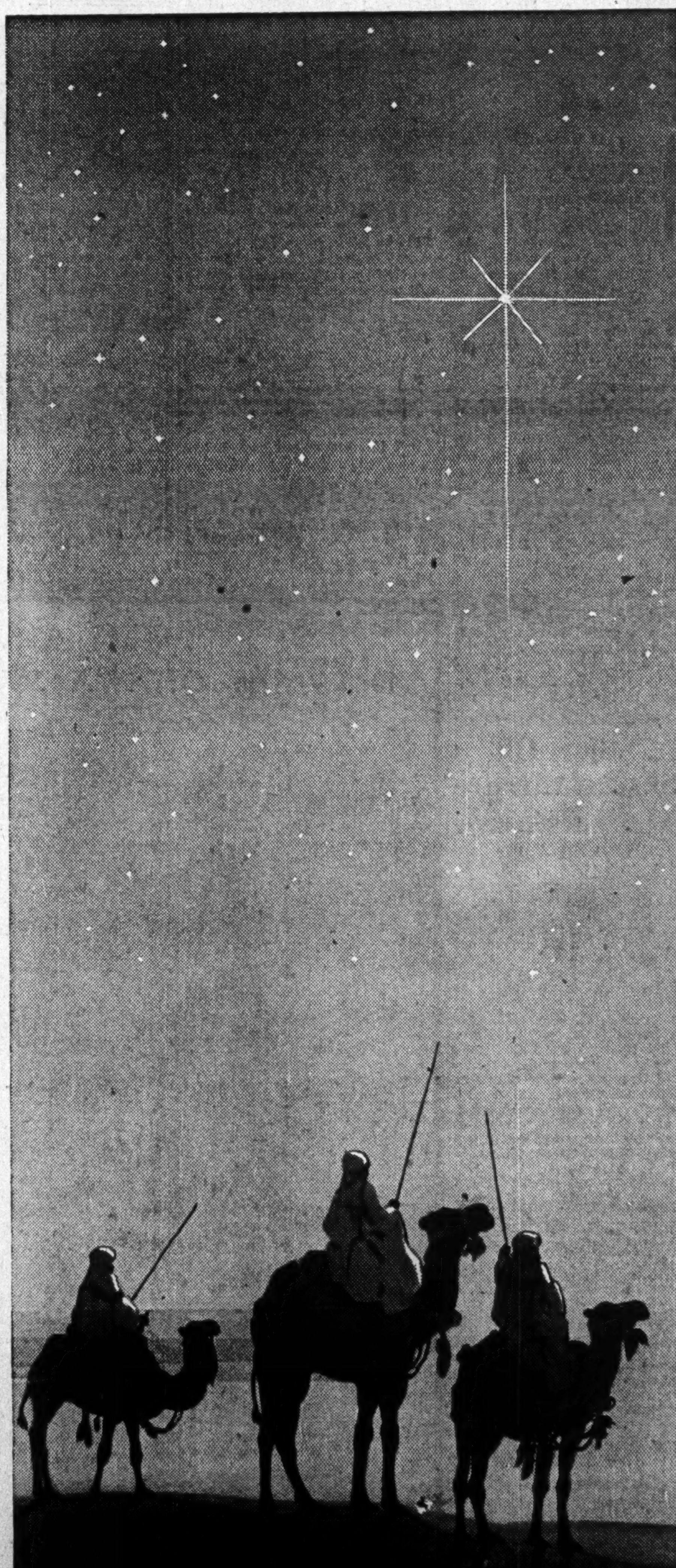

...and as Christmas Comes

CHRISTMAS! The season of gladness and giving; of smiling faces and rosy cheeks; of song and laughter; of gleaming holly and significant mistletoe. The occasion of affectionate homecomings and friendly reunions; of brightly lighted evergreens and packages hidden from inquisitive childish eyes, in the oddest places. The time when all men's hearts are opened and even the lowliest need not want for a friend, for the warmth of a cheery greeting.

And the New Year! A fresh beginning, a clean page of life turned over; an infusion of ambition, a new determination, a revival of self-confidence that refreshes fading hopes.

With renewed courage and assured faith in the greatness of our destiny, Canadians everywhere face the future, enthusiastic, eager, steadfast and unafraid.

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P.S.—Add a Rolls Shaving Bowl to your gift - $1.00 — Refills, 60c.

Investment Trends

Share Markets In Trading Range

Boom Possibilities for Stocks and Real Estate Seen in Credit and Investment Situation — Influence of Rising Costs

Recent irregularity in stock markets has not yet been of a character to indicate whether a substantial recession is forthcoming or whether strength is being gathered for another rise. Strength of lower-priced shares and growth of brokers' loans indicate increasing speculation, which makes for possible swings in prices.

The chief reason for anticipating softness in prices is the prolonged rise because experience shows that the stock market takes one step downward after three steps forward. There is no major amount of liquidation in sight, however, to cause anything but an orderly recession if there is one coming.

The most favorable influences in the immediate future for stock prices are extra dividend payments which will release large sums for new investment and 1936 earnings statements which are generally favorable.

Trading Range

WHILE the longer term outlook for stock prices is regarded as favorable, considerable uncertainty prevails about the outlook for the next two or three months. Prices appear to be in what is technically termed a trading range, without a definite upward or downward trend for the moment.

Above 100, the Montreal Stock Exchange average appears to point toward advancing prices. But the Toronto Stock Exchange industrial average remains around 155, off about seven points from its peak. The Dow-Jones average for New York industrials is also below the peak of 184.8 for this year. And one of the chief reasons for doubt over the immediate price trend is the Dow-Jones average for railway shares. At approximately 55, it has been showing little sign of strength.

Because of the uncertainty in the near-term outlook, investment advisers continue to urge caution in making new purchases of common stocks. At the same time the prevailing advice on investment holdings of a seasoned stock is to hang on without too much regard for temporary swings in the market.

* * *

Flour Problems

JUDGING from export figures, the flour-milling companies have not yet solved their problem of how to increase volume. November exports were 408,655 bbls., compared with over 525,000 bbls. in the same month of 1935. The average price, however, was $4.74 a barrel compared with $4.22 in Nov., 1935. For the 12 months ended Nov. 30, 1936, exports were about the same as in the preceding year, but the value rose above $20.1 millions compared with some $18.4 millions.

More orderly marketing in the Canadian market has helped companies like Maple Leaf, Western Canada Flour and Lake of the Woods. Ogilvie, of course, enjoys a large investment income. These firms, however, require substantial increases in exports to get back their predepression earnings. The firmer price structure has improved the feeling in the industry.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	86.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	12.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
Weekly Figures, 1936:										
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
November	166.9	27.5	107.0	233.4	74.4	179.6	143.6	219.9	62.4	138.4
Dec. 3	168.7	29.7	110.6	216.5	73.0	180.2	142.7	211.9	61.0	133.2
Dec. 10	165.8	28.7	110.1	220.0	73.5	178.2	141.5	212.7	60.7	133.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 15	157.73	149.07	189.11
Dec. 14		—Holiday—	
Dec. 12	156.40	145.32	180.21
Dec. 11	156.90	144.71	179.74
Dec. 10	157.11	144.31	179.91
Dec. 9	154.82	142.68	177.54
Month ago	162.03	146.14	177.14
Year ago	127.51	117.83	119.43
High, 1936	163.24	150.46	189.11
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 15	77.8	102.9	94.6
Dec. 14		—Holiday—	
Dec. 12	77.9	101.6	93.7
Dec. 11	77.8	101.6	93.6
Dec. 10	77.5	100.3	92.7
Dec. 9	77.3	98.8	91.6
Month ago	80.0	95.7	90.4
Year ago	65.4	68.2	67.3
High, 1936	81.1	101.6	93.7
Low, 1936	67.2	69.5	68.9

Government, Municipal, Public Utility and Industrial Bonds

List of current offerings furnished on request

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Branches in all the principal cities of Canada

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Lingerie Hosiery Gloves

Bags Handkerchiefs

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One of these suggestions, smartly boxed by Creeds, makes a very acceptable gift.

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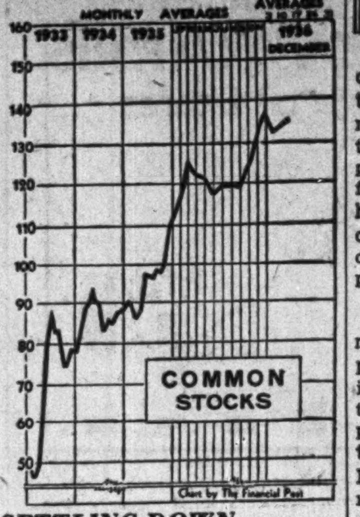
Open Every Evening Until 10



SETTLING DOWN

Dominion Bureau index for common stock prices was 133.4 for the week ended Dec. 10, slightly above the preceding week. This compares with 113.3 for the corresponding week of 1935 and the high of 140.8 for 1936. Comparative figures appear on this page.

Change Forecast In Walker Capital

Rearrangement Is Planned to Avoid Duplicate Taxation

Changes in the capital structure of Hiram Walker-Gooderham and Worts are forecast as a result of imposition of the new U. S. tax on undistributed corporation profits. Since the company operates both in Canada and the U. S., the new arrangement will be directed at avoiding duplication of taxation.

Intention to change the capitalization was made known by W. J. Hume, president, at the annual meeting in Walkerville, when shareholders were also told that earnings for the first quarter of the present fiscal year would be satisfactory. Earnings will be passed on to shareholders as conditions permit, and dividend policies will be governed in future by the trend of earnings from time to time. This policy, also, reflects the new U. S. tax situation, it is believed, since the new tax is a graded super-tax on undistributed profits and affects profits since the close of the company's fiscal year, Aug. 31, 1936.

On $2 Basis

Walker's common stock was placed on a $2 annual dividend basis. Prospects are that the $2 rate will be considered a basis for further payments, with additional payments as conditions permit.

Support is lent to the possibility of a $2 basic payment by the fact that the company's investment in the U. S. has realized a greater return than was expected when the Peoria distillery was commenced in 1933. Sales volume is showing a marked increase in conjunction with a consistent advertising campaign on which the company spent $1.7 million during the last fiscal year. The entire amount was absorbed as expenses.

Producing in Canada

The gigantic Peoria distillery operated at 76% of capacity during the fiscal year and production was resumed in Canada where more than a million gallons of whisky were produced from Canadian grain.

Originally, the Peoria distillery was planned with six rack warehouses, having a storage capacity of 460,000 barrels but volume of business has compelled construction of two additional warehouses and storage capacity is consequently being increased to 620,000 barrels. Financing required in this connection is largely responsible for the increase from $19 millions to over $24 millions in the company's investment in the U. S. during the year.

D. A. Stuart Oil Shares Advance

Listing May be Sought for Ontario Incorporation

Participating preferred shares of D. A. Stuart Oil Co., which were offered recently at $12.50 each have been quoted above $16 among unlisted dealers in Toronto. Application may be made to the Toronto Stock Exchange for listing, it is understood.

The recent offering of 38,566 preferred shares of no par value was made by Bankers Bond Co.. The preferred carries a cumulative dividend of 80 cents a share annually, and participates share for share with the common in any further distributions after the common receives 60 cents a share in any one year.

Particulars of the issue follow:

38,566 Shares
D. A. STUART OIL CO.
Preferred

Company—Ontario inc. formed to acquire assets of D. A. Stuart & Co. "except certain cash" retained by vendor.

Business—Manufactures industrial lubricants for extreme friction as in metal-working plants. Established 71 years ago in Illinois, ownership changed in 1929 and business was expanded. Operates in U. S. and Canada.

Assets—Total $633,028 at May 31, 1936, including goodwill of $343,550; net current assets $158,642.

Earnings—After all charges, net losses $19,631 in 1931, $30,036 in 1932, $25,363 in 1933; net profits $25,764 in 1934, $33,557 in 1935, $75,262 in 1936.

Capital — Authorized 100,000 preferred, 50,000 common, both no par; outstanding 45,000 preferred and 30,000 common.

Directors—Harold A. Greene, Robert A. Bryce, E. G. McMillan, K.C., T. B. Langdon, H. M. Millar, Wm. H. Oldacre.

Offer—By Bankers Bond Co., Toronto, at $12.50 a share.

Crown Williamette Paper Reports Larger Earnings

From Our Own Correspondent

MONTREAL. — Crown Williamette Paper and subsidiaries, including Pacific Mills Ltd. (British Columbia newsprint operator) report for six months ended Oct. 31 net profits of $1,369,799, or $6.84 a share on 200,000 no par shares of $7 cumulative first preferred stock on which there is an accumulation of unpaid dividends.

For the six months ended Oct. 31, 1935, net profit was $1,105,002, or $5.52 a share on the first preferred stock.

Investment Notes

Tip Top Tailors—If control of the company is sold after payment of the January dividend on the common, it would not necessarily mean that all shareholders will participate in whatever price may be paid for larger blocks of stock. There has been some buying of the shares on expectations that a change of control would mean payment of the purchase price to all holders.

* * *

Asbestos Corp. — Following announcement that the company would pay off all arrears of general bond interest in a lump sum on Jan. 1, the common stock jumped nearly 15 points to 110. At the beginning of the year the stock sold for 17½. Nearly $900,000 of sinking fund arrears on the bonds stand in the way of dividends on the stock. It is expected that this obstacle will be overcome by redeeming the bonds.

* * *

Teck-Hughes — There is said to be some solid buying of these shares, not only on the strength of the Lamaque development, but on further length of life for the company's own mines.

* * *

Dominion Stores—Recent strength of the shares has attracted some investment trust selling because of disappointment over this year's results.

* * *

Alberta Pacific Grain—Like other grain and storage companies, this firm faces lower revenues in the 1936-37 year. The recent burst of strength in the common is attributed to the popularity of low priced stocks.

* * *

Kelvinator—Earnings of over $2 a share in the annual report account for the rise of the common shares.

* * *

B. A. Oil—While there is a good deal of professional investment opinion that the shares are attractive at present prices, the public does not appear to be keenly interested. But speculation in western Canadian oils is booming.

* * *

C.P.R.—One Toronto stock broker is sufficiently optimistic to suggest the common shares and the convertible 3½% bonds as probable sources of profit.

* * *

Union Gas—Improved earnings are expected this winter because the company has over 5,000 house-heating units to serve in London this year compared with less than 1,000 last winter. The current dividend rate of 50 cents a share compares with earnings of 55 cents a share in the year ended March 31, 1936.

* * *

Dominion Tar—Some holders of the 6½% preferred who bought at much lower prices are wondering how high the shares will go on hopes of an arrears settlement. Dividend arrears will be over $30 a share at the end of the year, and the stock is quoted around $110. One guess is that $120 would be possible.

Page-Hersey Pays Bonus To Shareholder, Employee

Page-Hersey Tubes Ltd. has declared the regular quarterly dividend of 75 cents a share and an extra of 25 cents a share, the total of $1 a share being payable Jan. 2 to shareholders of record Dec. 15. This does not represent an increase in the dividend rate but is a year-end bonus based on improved earnings in 1936, it is understood. The extra payment will bring total dividends from 1936 earnings to $3.25 a share.

The company has also decided to pay a bonus to employees of the same amount as the extra payment to shareholders. This distribution will be made on the basis of length of service, and will benefit particularly workers who have been on short time this year. Executive officers do not participate in this distribution.

Year Satisfactory

As reported previously by The Financial Post, 1936 has been a satisfactory year. Earnings are expected to exceed those of $3.68 a share in 1935.

Paramount Pictures Inc. Paying Heavy Dividends

Paramount Pictures Inc. has declared a dividend of $12 a share on the new first preferred stock and 60 cents a share on the second preferred, both payable Dec. 26 to shareholders of record Dec. 17.

The payments involve distribution of over $3.5 millions. This compares with net profit of about $2¼ millions for the first nine months of 1936 and $3 millions in the same period of 1935.

The probable earnings for 1936 depend to some extent on whether the company makes a large charge for inventory reserve.

While the dividend declarations are believed to reflect substantial earnings in the last quarter of this year, they are also attributed to the U.S. tax on undistributed corporate surplus.

Can. Canners Plan Passes

6% First Preferred To Be Changed Into 5% Convertible Stock

Shareholders of Canadian Canners Ltd. have approved proposals to exchange each $100 share of the present 6% first preferred stock for five shares of 5% convertible first preferred. Officials describe this as an economical way of refunding the first preferred.

Each new first preferred share will be convertible into one common share at the holder's option. The new stock will be redeemable at $23 a share.

Conversions Extended

Outside the company's 3% serial bonds, all outstanding securities will now be convertible into common stock.

New capitalization will be:

Canadian Canners' New Capital	
3% serial bonds	$1,060,000
4% bonds, due 1951	$2,420,000
5% 1st pfd., par $20	194,242½ shs.
2nd pfd., no par	363,732 shs.
Common, no par	137,784 shs.

The second preferred is convertible share for share into common. It is entitled to dividends of 60 cents a share annually before the common is eligible for dividends. After payment of 60 cents a share on the second preferred, this stock gets 10 cents a share annually for each 25 cents paid on the common.

Participating Feature

The new 5% first preferred will participate in dividends up to a total of 6% in any year with the second preferred. This participation is on a quarterly basis. After 15 cents is paid on the second preferred in one quarter, the 5% first preferred is to participate in any further payments in the quarter up to five cents a share. The maximum annual dividends on the first preferred would therefore be 5%, or $1 a share, plus 20 cents, or $1.20 a share in all.

The 4% bonds are convertible $100 of bonds for five common shares up to Nov. 1, 1943, and thereafter $100 for four shares.

It is understood that the company's business has improved materially this year and that resumption of dividends on the second preferred is therefore a possibility.

New Issue

Information regarding the financial position of the Province will be found in the official circular which will be forwarded upon request.

Province of Ontario

3% Debentures
(Non-Callable)

Due December 1st, 1951

Denomination: $1,000.

Price:
99.75 and interest, yielding 3.02%

We suggest you telephone or telegraph orders at our expense.

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INVESTORS who do not fully understand the type of service which we render sometimes ask us to draw up a list of recommended investments for them . . . Our answer in every case is the same: "Sorry, we can't do that".

Perhaps that answer isn't quite truthful . . . We *could* do it . . . But we never do, largely because the very essence of Investment Counsel, as we see it, is *continuous* management. Any investment list which we might draw up today would sooner or later develop weaknesses, for conditions are always changing, necessitating changes in previously satisfactory investment portfolios.

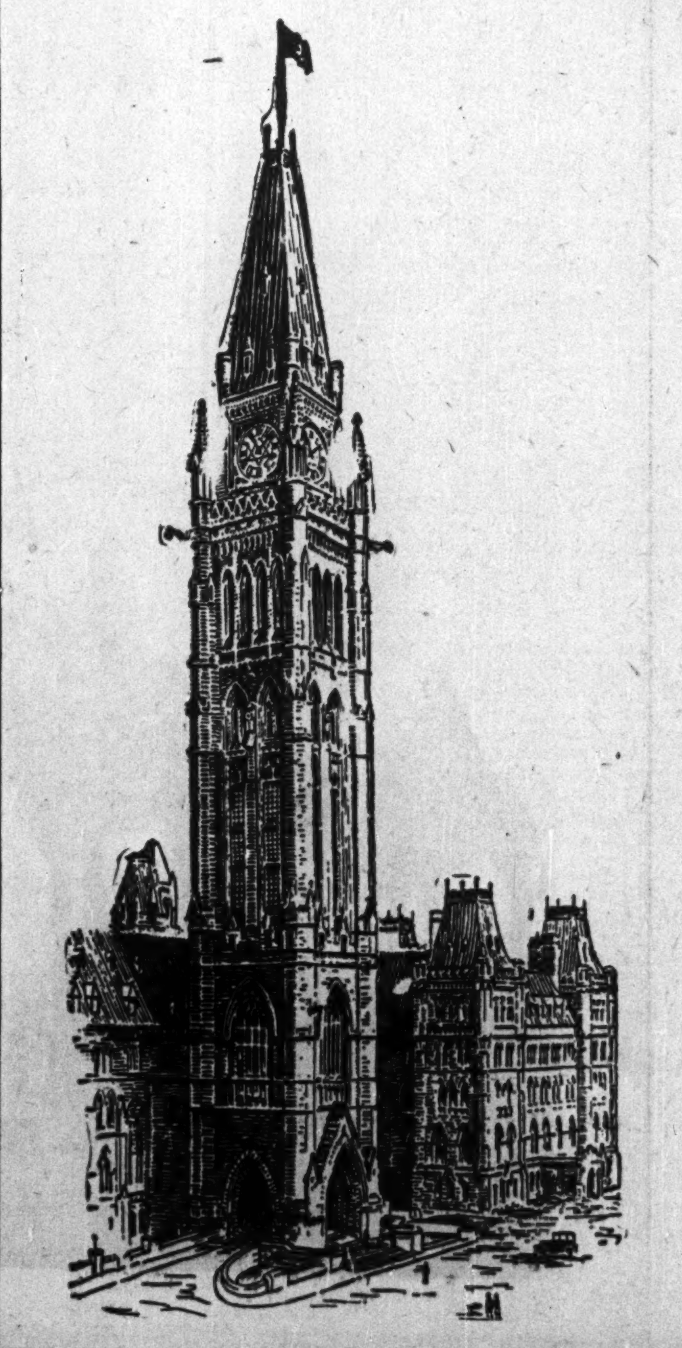
Our relationship with our clients is necessarily a long term arrangement—never a single transaction.

We will be glad to send you a copy of our booklet: "The Management of Your Investments".

HODGSON, ROBERTON & COMPANY
Investment Counsel
437 ST. JAMES ST., WEST, MONTREAL

1885 — THE OTTAWA JOURNAL — HALF A CENTURY OF ASSOCIATION WITH THE DEVELOPMENT OF A GREAT WORLD CAPITAL — 1936

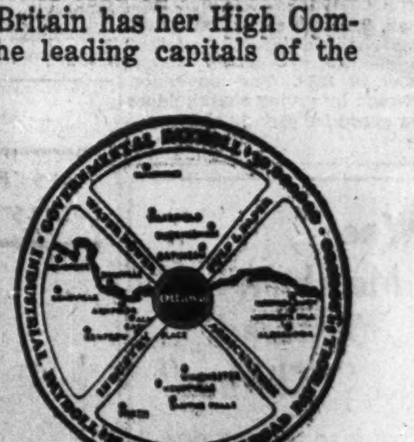
The Journal Market guarantees Stability and High Earning Power



EVERY step of Canada's phenomenal development since the war — in agriculture, mining, manufacturing, finance, power, transportation — has been reflected in a corresponding increase in the machinery of her government.

It has brought a new and greater Ottawa into being. Existing Departments are being steadily enlarged and new ones created. Three Great Powers have established legations; Great Britain has her High Commissioner. Ottawa today ranks among the leading capitals of the world.

The significance of all this is — that Ottawa today is the home of an army of at least 18,000 men and women engaged in the mass of detail that makes up the actual business of government — the biggest single business in Canada. Executives, engineers, statisticians, they make up the "headquarters staff" of the Canadian nation. The permanent governmental service payroll of over $30,000,000 indicates the purchasing power of this body. Added to this is the $15,000,000 industrial workers' earnings; $8,000,000 for the Federal Government construction program and the 20% to 50% increased farm incomes from million-dollar crops untouched by drouth or business reverses representing the greatest buying power in Canada today.



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Bond Markets

Sale of Ontario Issue Sets Record Since War

Province Sells $20 Millions Long-term Refunding Offering to Wood, Gundy Syndicate — High-grade Bonds Advance

With the market for high-grade government bonds showing remarkable buoyancy, the Ontario Government picked an opportune time for its $20 millions refunding issue. Although the issue carries only 3.02% yield it should prove attractive to investors, especially since a balanced budget is in sight for the province. The offering price is 99.75.

No tenders were called for the issue, a private sale being made to a syndicate headed by Wood, Gundy & Co. The cost to the Government, however, is claimed to be the lowest obtained on a long-term issue by any provincial government in the past 18 years, the price paid to the Government being 98.51, which gives a cost basis of 3.125%. This, in part, reflects the high credit standing of the Ontario Government.

Proceeds of the issue will be used to meet maturities falling due in January. Arrangements have already been made with the Bank of Canada for the purchase of U. S. funds to meet a $14.9 millions 5½% issue which falls due in New York on Jan. 3.

During recent sessions the bond market has moved forward on all fronts, reflecting to a large extent improved business conditions.

Western provincial bonds continue to feature the government list, sharp advances being recorded as a result of speculative buying. Alberta issues have risen from three to five points, 4's of 1954 being quoted at 67 bid and the 5's of 1955 at 74 bid. British Columbia, Manitoba and Saskatchewan issues have continued the trend of recent weeks and added one to two points to bid prices.

The corporation list has been strong throughout, with depreciated newsprint and hydro issues being the feature. Abitibi 5's have advanced 5 points to 81; Consolidated Paper 5½'s, 5½ points to 69¾; and Great Lake Paper 5's 4½ points to 86½. Beauharnois Power 5's have jumped 6½ points to 55, and Ottawa Valley Power 5½'s, 4½ points to 85½.

B. C. Power Refunding

EXCELLENT reception is reported for the British Columbia Power Corp. refunding issue of $14 millions. Only $10.8 millions of the new issue are long-term 4¼% bonds. This compares with $13.8 millions of long term 5% and 5½% bonds at present in the hands of the public. In view of the lesser amount of long-term bonds being issued it is expected that a large part of the new issue will be taken up in exchange for present bonds.

One feature of this refinancing which has been common in the United States, but is somewhat rare in this country, is that, under the terms of the exchange offer, those who exchange their present holdings for the new 4¼% bonds will receive not only interest on the new bonds from date of exchange, but also interest on the old bonds up to Feb. 28, 1927. In addition they receive the redemption premium of 4¼% and also the benefit of the current premium on sterling exchange.

* * *

Gold Clause

OF INTEREST to bond dealers and bondholders is the assurance given to the National Finance Committee that the Federal Government will introduce legislation abrogating the gold clause in bonds of all Canadian debtors.

After having been dead for some time, discussions relative to the gold clause were recently revived as result of the decision of the British Court of Appeal upholding the gold clause in an issue of British bonds payable in New York. The effect was rather disquieting in bond circles in this country since it was felt that Canadian bonds were in much the same position. It was generally conceded, however, that Canadian debtors could not afford to pay in gold and that there was no other alternative but to abrogate the clause.

Abrogation of the clause will remove a disturbing factor from the market.

* * *

Bond Index

AS IS indicated by the index below, high-grade Government bonds have advanced sharply during the past week. At the present time the index stands at a higher level than at any time since the latter part of September.

The Financial Post Index of Average Price and Yield of High-Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Dec. 15	116.80	3.034	Dec. 14	111.01	3.594
Dec. 12	116.99	3.020	Dec. 13	111.38	3.621
Dec. 11	116.99	3.020	Dec. 12	111.21	3.641
Dec. 10	116.73	3.047	Dec. 11	110.79	3.667
Dec. 9	116.48	3.070	Dec. 10	111.30	3.631
Dec. 8	116.42	3.080	Dec. 9	111.26	3.633
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

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DEPOSITS ACCEPTED DEBENTURES ISSUED

Mortgage loans on owners' homes at low rates of interest

Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Banana Company Bond Is Offered

Jamaican Gov't Backs Loan of Co-operative Enterprise

From Our Own Correspondent

MONTREAL.—For the first time in many years a public offering is being made in Canada of a security, the principal and interest on which is payable only in sterling or Jamaican pounds.

The issue comprises £350,000 of 3% non-callable serial debentures of Jamaica Banana Producers Association Ltd., and is offered by W. C. Pitfield & Co. at 100 and accrued and interest for each maturity. Both principal and interest on the debentures are unconditionally guaranteed by the Government of Jamaica. Redemption will be effected by the retirement of £25,000 each year from 1937 to 1950.

Proceeds of the financing will be used by the Association to finance a co-operative marketing scheme.

Groups Approve Cons. Paper Plan

Payment of Bond Interest Over Next Five Years Arranged

From Our Own Correspondent

MONTREAL. — Bondholders and shareholders of Consolidated Paper Corp. have approved the plan dealing with interest on the company's bonds over the next five years.

Shareholders voted to increase the authorized capital from 2 million shares to 3.5 million shares of no par value and to reduce the number of directors from 15 to 11.

Bondholders approved the plan whereby 15 shares of stock will be allotted in lieu of interest on each $1,000 bond for the three years ending July 2, 1939, and for issuance of either shares or cash, or a combination of both, to cover the next two years interest.

The determining factors which will guide the directors in deciding how interest is to be paid in the final two years will be the company's earnings and working capital position. The object will be to keep working capital from falling below $10 millions.

The plan approved also provides for modification of sinking fund provisions, involving postponement until March 31, 1934, and making subsequent payment contingent upon net working capital being in excess of $10 millions.

Investment Foundation Raises Preferred Rate

Investment Foundation Ltd. has increased the annual rate of payments on the preferred stock from 3% to 4% with a payment of 50 cents a share to be made Jan. 15, 1937, to shareholders of record Dec. 31. In addition, a payment of 25 cents a share is being made on account of preferred arrears on the same date.

The arrears payment will leave the total of deferred dividends at $6.25 a share. The preferred shares of $50 each carry cumulative dividends of $3 a share annually. The full rate has not been paid since 1930. Earnings, however, have been rising in the last four years.

Bond Sales

Montreal West

Town of Montreal West, Que., has sold $210,000 of 20-year 3½% serial bonds to McTaggart, Hannaford, Birks and Gordon at 101.09. Bids were as follows:

	Bids
McTaggart, Hannaford, Birks & Gordon	101.09
Bank of Montreal	100.65
L. G. Beaubien & Co.	99.79
Credit Anglo-Francais, Imperial Bank	99.765
A. E. Ames & Co., Dominion Securities Corp.	99.42
Mead & Co.	99.32
Wood, Gundy & Co.	98.829
Barrett & Co.	96.18

Treasury Billls

The Bank of Canada has announced the sale of $25 millions of Dominion of Canada treasury bills, due March 15, 1937, at an average discount price of 99.816515, which gives an average cost basis of 0.747%. The cost of the previous issue to the Government was 0.766%. Of the proceeds of the issue of $20 millions will be used to meet maturing bills and $5 millions is new money.

Newsprint Output Gain Lower For November

Production for 1936 Will Be Well Over 1935 Mark

From Our Own Correspondent

MONTREAL. — November newsprint figures issued by the Newsprint Service Bureau indicate that the rate of expansion in production and sales by Canadian mills is slowing down.

Last month newsprint mills in this country produced 285,771 tons and shipped 293,075 tons. This contrasts with an output of 262,854 tons and shipments of 285,179 tons for November a year ago.

For the first 11 months of 1936 Canadian mills produced about 2.9 million tons, or 379,625 tons more than in the corresponding period of 1935, an increase of 15.1%. Up to the end of October, 1936, the increase over the corresponding period of 1935, amounted to 16.4%.

Other Areas Slow Down

Production in American mills last month was 79,853 tons and shipments 80,221 tons. The former represents a slight gain, while the latter is a few hundred tons less than reported for November, 1935.

Newfoundland mills turned out 28,201 tons last month, as against 28,567 tons a year ago.

Total North American production for the month amounted to 393,825 tons, as against 372,421 tons in Nov., 1935.

The output in the United States was slightly greater in the first 11 months of 1936 than in the same period of 1935. In Newfoundland production was 8,619 tons, or 2.8% less, with no production in Mexico.

The aggregate increase in North American production this year totalled 354,473 tons, or 9.6% compared with the like period in 1935.

Stocks of newsprint paper in Canadian mills at the end of November were reported at 52,135 tons and 16,032 tons at United States mills, making a combined total of 68,167 tons. This compared with 75,829 tons at the end of the preceding month and 63,112 tons on Nov. 20, 1935.

Ontario Building Ltd. Deferring Bond Interest

In co-operation with the bondholders' committee interest payments due Sept. 1, 1936, and March 1, 1937, on bonds of the Ontario Building Ltd., of Montreal, have been deferred, the revenue to be applied toward reducing tax arrears which amount to approximately $33,000.

Saint John Dry Dock Gets Yarmouth Dredging Job

From Our Own Correspondent

MONTREAL.—Saint John Dry Dock & Shipbuilding Co. has been awarded a contract by the Federal Government for dredging 338,000 cubic yards in the inner channel of the port of Yarmouth. When work is completed shipping will be able to make a straight run in either entering or leaving Yarmouth harbor.

Winnipeg to Co-operate In Home Loan Plan

Provided enabling legislation is passed by the Manitoba Government, Winnipeg City Council proposes to exempt from further assessment for the next five years improvements up to $2,000, under the home modernization loans.

Dom. Scottish May Be Listed

Following reconstruction of the capital of Dominion Scottish Investments Ltd., it is expected that application will be made to list the common and preferred shares on the Toronto Stock Exchange.

Holders of preferred shares of the investment trust have been advised by some investment firms to retain their holdings and to accept the opportunity to purchase for $1 an additional common share for each preferred share held. It is understood that a few larger holders may accept the offer to exchange two preferred and two common shares for $100 of 4% debentures.

In unlisted trading the price of the unit of one preferred and one common share has been about $46. The break-up value of securities in the trust's portfolio is about $56 for each unit.

Brazilian Traction Pays 40c Dividend

Brazilian Traction Light & Power Co. has declared a dividend of 40 cents a share on the ordinary stock payable Jan. 30, 1937, to shareholders on record Dec. 26.

The last previous payment was 30 cents a share paid July 15, 1936. Total dividends for the 1936 fiscal year, therefore, amount to 70 cents a share.

Prior to the 30-cent payment last July, no dividends had been paid since Sept. 1, 1932. The shares are not on a regular dividend basis. But the company is able from time to time to transfer funds from Brazilian currency into sterling and dollars, and pays dividends accordingly.

Rolland Paper Stock Is Listed in Montreal

From Our Own Correspondent

MONTREAL.—Rolland Paper Co.'s common stock has been called for trading on the Montreal Stock Exchange.

Colliery Hits Peak

Dominion Coal Co. collieries hoisted 353,455 tons of coal during November, setting a 21-year record for the month. The amount is nearly 83,000 tons greater than in Nov., 1935.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr.1'37	100
Riordon Pulp	‡6%	1942	Dec. 31	105
Mississippi River	°5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do., C	5½%	1958	Jan. 1	103
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
New Eng. Power	5%	1951	Jan. 1	105
Indust. Accept. A	6%	1940	Jan. 25	105
Col. Steamships	†6%	1941	Jan. 1	100
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
Can. Crushed Stones	6½%	1944	Dec. 18	...
Reliance Gr., A	6%	1948	Jan. 2	105
Cont. Paper Bag	5%	1960	Dec. 31	100
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	6%	1946	Apr. 1	110
La Patrie Pub.	6½%	20-yr.	Jan. 1	105

For sinking fund: ‡$81,000. ▲$100,000. °$155,000. *Maturing from Aug., 1937, to 1956. †$33,000. ■Tenders called for $16,300.

Municipal Finances

St. Honoré School Commission, Que., is paying bond interest coupons of Nov. 1, 1932, and Nov. 1, 1933; also interest on bonds matured Nov. 1, 1932, for the period from Nov. 1, 1932 to May 1, 1933.

* * *

Bagot Twp., Que., has been authorized to pay bond interest coupons of May and June, 1934; interest from Nov. 1, 1933 to May 1, 1934, on bonds matured Nov. 1, 1932 and 1933; interest from Dec. 1, 1933, to June 1, 1934, on bonds matured Dec. 1, 1932 and 1933.

* * *

St. Joseph d'Alma, Que., School Commission, has been authorized by the Quebec Municipal Commission to interest of Dec. 1, 1936, on bonds matured June 1, 1934.

* * *

Edmonton, Alta., reports that relief expenditures in 1936 will show a material increase over 1935. Total expenditures for the first 10 months of the year amount to $1,019,505 as against $903,716 in the corresponding period last year. Of the 10 months total, $569,500 was contributed by the Federal and Provincial Governments and $459,005 by the city itself.

* * *

Brantford, Ont., will have a budget surplus of $6,400 in 1936, according to an estimate made by E. A. Danby, city treasurer. He estimates that expenditures will be $13,719 less than originally anticipated, with revenues only $7,275 lower.

* * *

St. Catharines, Ont., current tax collections to Nov. 19 amounted to $883,364 or 78.5% of the levy. This compares with collections of $865,252 or 75.5% of the levy in the same period of 1935. Collections of tax arrears in this period amounted to $229,253 or 45.2% of arrears outstanding at Dec. 31, 1935.

* * *

Kitchener, Ont., reports that total collections of current taxes during the first 11 months of 1936 amounted to $1,088,676, an increase of $3,701 over collections in the entire 12 months of 1935. Collections of arrears, however, were down from $192,356 in 1935 to $143,925 in the first 11 months of 1936. It is expected that debenture debt and bank loans will both show a reduction as at the end of the year.

* * *

Brandon, Man., reports that revenue from all sources in 1936 to Nov. 30 was $27,000 better than in the same period of 1935, amounting to $468,654.

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Legal Opinion: Messrs. Long and Daly.

These Debentures are direct obligations of the Province of Ontario, and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province.

The proceeds of this issue will be used to retire maturing debentures.

Gross ordinary revenue in the first eight months of the current fiscal year from April 1st to November 30th increased $12,113,373 over the similar period last year. Gross ordinary expenditure for the same period including relief expenditures and sinking fund payments, decreased $3,413,093, resulting in an improvement of $15,526,466.

Further information regarding the financial position of the Province will be found in the official circular which is available upon request.

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TORONTO, DECEMBER 19, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Youth Problem Is Part of Larger Unemployment Problem

UNDOUBTEDLY one of the urgent problems of the depression is that of unemployed Youth. Thousands of boys and girls under 25 have never done a day's work; thousands are untrained for anything, or have had only academic training that has sharpened their minds but not their hands. Thousands are disillusioned.

Every country has sought to deal with the problem of unemployed youth. Germany has put them in armies. The United States put regiments of boys into forestry camps. Both military and civilian camps are psychological crimes against youth. If young men and women are to be fitted for life they should be trained under the conditions they will meet when they are older; not nursed, disciplined and segregated in mass camps.

Under the National Employment Commission there has been a Youth Committee at work. Its preliminary report, ready these many weeks, has not seen the light of day. Possibly this is because it was unrealistic and has been sent back for further study. It is known that some of the members favored a national Youth Act; a national ministry of Youth. These would have been mistakes. Unemployed Youth are part of the general problem of unemployment as a whole and should be so dealt with. Youth should not be separated from citizenship.

Where there is room for special effort is in reconditioning, physically and mentally, those who may have gone "soft" during the depression. The mining industry, the provincial forestry departments, the pulp and paper companies, the highway construction firms and others which normally provide healthy outdoor employment should make a particular effort to provide work at which young men between school leaving age and 25 could earn wages, train themselves and keep fit.

Other industries can make their best contribution by apprenticeship and training plans. The lead given by the National Construction Council is most promising.

The government's rôle may be best that of organizing private industry to do these things and of adding training schools in urban centres. In the post-war experiment with returned soldiers there may be provided a precedent for action. In those schools older veterans, who were skilled in different trades, taught the younger men, whose craftsmanship training had either never begun or had been interrupted by the war. Why not something similar for the old and young veterans of the great depression?

There is a great field for re-making the newer generation of Canadians. The youth committee of the National Employment Commission ought to have the assistance and advice of every executive in Canadian business in their effort. But let us carry on the work in a way to make sturdy, self-reliant young men and women rather than youths fit only to obey commands.

The King and His Crown

KING EDWARD VIII may have abdicated to marry the woman he loved. He may have surrendered the majesty and prestige of the most regal of thrones to enjoy the unkingly luxury of private life. He may have quit because he selfishly put his own personal desires above the responsibilities and demands of kingship. On the other hand, those in Britain who feared some sort of "Palace revolution" in years to come, may have been astute enough to see that Edward's foolish affair with Mrs. Simpson provided a heaven-sent opportunity to relieve him of his throne in order to protect constitutional democracy in Britain.

Any one of these things may be true or may not be true. History will know the answer. We of this generation will not. That fierce light which beats on Kings is not always a good light to see by. Over the past year bright American spotlights have beat on Edward, but the British press has obscured the vision of its readers. King Edward's abdication came as less of a surprise and shock to readers of Canadian papers than to readers of British papers.

Will the British people now feel that they are entitled to know more about the private lives of their royal family than they have ever known before? Will they not show less reverence, while retaining as much respect, for the royal family than in the past? If the love affairs of the royal family are to produce constitutional crises may it not be true then that other factors such as the social views, the physical disabilities, the psychological attitudes, the mental co-efficients of British kings and princes will have to become more truthfully revealed?

In the past we have been willing to wait until our kings were two or three generations dead before finding out just what sort of people they were and what influence they exerted. Now it would appear that it is important for us to know more about them while they are alive.

It is fairly certain that the British royal family has lost in prestige throughout the world just as British democracy has gained. One of the new King's major tasks will be to restore that prestige.

There can be little doubt that the British people will look more earnestly behind the ceremonial trappings to the real character of the people who wear their crown. Edward has made the royal family something less than sacred to the press of England. But the monarchy itself stands staunch. The British people revere the crown and they want to be able to respect the man who wears it.

Canada and the Americas

PRESIDENT ROOSEVELT'S visit to the South American republics was obviously designed to create the appearance, if not to encourage the establishment, of a solid bloc of the Americas against world aggression. Back of that are economic aims, of course.

The United States president spoke in Buenos Aires of the common front presented by the Americas. Some have interpreted this as abandonment of the Monroe doctrine, which made the job of protecting the Americas the personal responsibility of Uncle Sam. Others have interpreted it as a broadening of the doctrine. In any event, from a unilateral responsibility the Monroe doctrine has become an attempt at co-operation from the Great Lakes to the Horn. As such it has probably lost rather than gained in strength and significance, for while isolationist groups in the United States were willing to back a plan of protection for the other American republics, they are opposed to definite agreements with them.

Events that are moving in this hemisphere are of more than academic interest to Canada. We are now part of the common front of the British nations. Should we be, either alternatively or simultaneously, part of the common front of American nations? The United States News asked a number of U. S. authorities on foreign affairs if Canada should be invited into the Pan-American bloc. Most of those who answered wanted the door left open for Canada.

It is unlikely that Canada, during the next generation, will sign a multilateral treaty of defense for this hemisphere from outside attack. For many years to come we are likely to remain an outsider looking in on Pan-American conversations, if for no other reason, because the economic objectives of United States' big brotherhood toward the Latin American republics are in conflict, to some degree at least, with British economic objectives in that territory.

Canada's relationship to the Americas is, however, a subject that will stand a great deal more authoritative study than it has ever had from Canadian students of international affairs.

A "Duncan" Probe for West

THE Edmonton Journal has started out on a march that will probably end up as a parade of western newspapers and publicists. It wants a "Duncan Commission" for Western Canada.

Sir Andrew Rae Duncan was appointed by Premier King in 1926 to investigate the economic disabilities, under Confederation, of the Maritime Provinces. His extensive recommendations have been largely implemented at heavy cost to the public treasury. Since then there has been less talk of "Maritime Rights" though the feeling in the three Atlantic provinces that the fiscal and economic scales are balanced against them persists. But despite what the Duncan report has cost the national treasury and despite the continued feeling of injustice in the East, there are few who will say that the Commission was not worth while. Had there been no such independent survey of "Maritime Rights," discontent in the three most easterly provinces would have grown, and the Confederation partnership would have been grievously endangered. Partnerships break up when one or more of the partners think they are getting a short share of the benefits.

Western Canada in 1936 stands much where the Maritimes stood in 1926, feeling that it is being short-changed in the division of economic gains. In the West, the tariff is the most criticized of our instruments of nation-building, but the West points to other grievances: high interest rates being the cause of much bitterness at the moment.

Royal Commissions are not always successful. Sometimes that is because they are appointed for the wrong purposes; to make a pre-determined case, to punish a political offender or to enable a government to stall for time when it is hard-pressed. Other Royal Commissions, especially those run in the manner and with the high purposes of British Royal Commissions, have been most useful.

Whether or not there should be a Duncan Commission for the West really depends on two things: first, on whether or not there is a real problem to investigate and, secondly, whether or not an independent appraisal of the elements of the problem would be of value.

There can be no doubt of the existence of the West problem. Even the hard-boiled critic who thinks the West has no cause for grievance, will admit that there is discontent and a continuing feeling that the West is paying too heavily for its participation in Confederation.

Equally there can be no doubt that we need a non-partisan, non-sectional appraisal of the economic position of the West.

That implies that if a really exhaustive survey reveals that the West has gotten better than an even break in the economic set-up of the nation, and if the Commission says as much, the West has to be prepared to accept the finding.

The Edmonton Journal's plea for a Duncan Commission is accompanied by a set of editorials designed to prove that the West is suffering unjustly. The tragedy of the present situation is that there is practically no one in Canada who has studied Confederation with sufficient detachment to be able to prove that the Journal is either right or wrong.

Rail Workers Back Conciliation

CANADIAN labor relations are free of the bitter antagonism so often found in other countries. There have been sharp differences, but, with few exceptions, such differences have been settled by conciliation and without recourse to strikes. Just now the railway workers in Canada are asking for the restoration of the balance of the wage cut enforced in the early part of the depression. The railways, while admitting a fair degree of recovery in earning power, do not see their way clear to granting the request which means not a few dollars to the individual but several millions in increased wages each year to more than 75,000 workers. There was a time when such refusal would have meant a strike; now labor asks and is granted a board of conciliation by the Government. Representatives of the companies and the men have argued their respective cases before the three-man board. The proceedings have been featured by moderation, mutual understanding and respect for each other's position. It now rests with the board to say whether or not the full basic wage rate should be restored. Whatever the decision, the sane attitude adopted by employer and employee is in splendid contrast to the methods followed elsewhere in settling labor disputes.

Editorials in Brief

Events of the last two weeks in Britain may, and in fact probably will, inaugurate a period of house-cleaning in British society and a return to pre-war standards of private conduct.

Retreat from the post-war excesses in joyous extravagance and indulgence in physical satisfactions has been obviously called for and will now probably come.

A swing to almost puritanical or at least Victorian standards is not impossible.

* * *

George VI is not quite King by the Grace of God. There's an act of Parliament (passed in 1700) upon which his right to the throne rests quite as much as it does upon the consent of Providence. Nor is he King by virtue of direct descent, as most people seem to believe. Today points out that if primogeniture were the criterion, there are persons with a better claim to England's crown than his—notably the former Crown Prince Rupprecht of Bavaria. And if the continental rule of primogeniture (which excludes women) were observed in England, the right to the crown would be vested in the Duke of Brunswick, a rather moderately intelligent young man and a prominent Nazi. If women and men succeeded on equal terms, the King of England would be (under the Act of Settlement) the former Kaiser—the oldest child of the oldest child of Queen Victoria.

* * *

The Financial Post has been honored, for no particular reason that we can think of, with a copy of a special number of the Illustrirte Zeitung, entirely devoted to Germany's military power. It is a handsome volume of 324 pages, of highly coated stock, and weighing nearly twice as much as the Alberta bondholders' report. From start to finish it presents a picture of a nation poised to strike (or ready to meet all comers, depending on how you look at it). Tanks, gas masks, airplanes, guns, and all other modern devices for maiming and destroying are presented in imposing illustration and text.

As an artistic production, as a piece of printing, it is a remarkable work and indicates that the Germans still stand in the front rank of the world's typographers and printers.

It is even more impressive as an evidence that Europe has completely forgotten the horrors and crimes of the last war. Throughout the pages hundreds of photographs present pictures of thousands of German youths, uniformed, trained, armed, ready for death, ready to lie beneath white crosses and red poppies alongside of the millions of other boys who have been destroyed before in order that dictators might dictate and generals wear red tabs on their collars.

The volume is a complete exposition of the modern science of making war, complete that is to say except for advertisements of coffins, belts to pull tight around hungry stomachs, and souvenir copies of the covenant of the League of Nations.

Sayings of the Week

"You can't concentrate and work in a metropolis."—*Eugene O'Neill.*

* * *

"I don't gamble on mines but I do back my own opinion."—*John E. Hammell.*

* * *

"The worker must be made to feel that he is a property owner."—*Owen D. Young.*

* * *

"There is an increasing acceptance of the idea that the end justifies all means."—*Cordell Hull.*

* * *

"I have doctors' degrees of all kinds, except the real ones—medical and horse." — *Stephen Leacock.*

* * *

"Television has made much progress technically, but commercially it is not ready yet."—*David Sarnoff.*

* * *

"We must have that which is most indispensable of all raw materials—the ore of the iron heart."—*Adolph Hitler.*

* * *

"History is strewn with examples of nations that ate out their economic hearts with bureaucracies."—*Col. Frank Knox.*

* * *

"Humanity has grown unhappy because of the uncertainty of life and the fear of disaster, revolution and war."—*Dr. Alexis Carrel.*

* * *

"We can rely on the strength of our own right arm and very little else until the sanctity of agreements is certain."—*Bernard Baruch.*

—Drawn for The Financial Post by R. Kaell.

MERRY CHRISTMAS!

Post-Scripts

The Great Montreal Mystery

ELECTION campaigns in Montreal are a joy both to the French- and English-speaking voters. The mayoralty candidates do not pull their punches. The current campaign is no exception, especially between Alderman Adhemar Raynault and ex-Mayor Houde. Each is an expert in casting innuendoes, but to date the prize goes to Houde. In describing the campaign being carried on by Raynault, he said:

"Have you ever seen such an orgy in election spending? I have no money. Mr. Raynault's campaign will cost about $50,000. I do not know where he obtained the money. The source remains a puzzle to me as he was alderman for only two years."

* * *

Cruel, Hard Index

GOVERNMENT enquiries are serious affairs, but now and again the proceedings are enlivened by a touch of humor. In arguing the employees' case before the Board of Conciliation on railway wages, Howard B. Chase, spokesmen, made some caustic remarks about the Government's Cost of Living index. He pointed out that the index allowed for only three pairs of silk stockings a year.

"I have asked ladies of my acquaintance how many pairs would normally be required and they have told me one pair a month," he said.

Mr. Justice MacLean, chairman of the board, then ventured the opinion that the ladies were not using a certain kind of soap which guaranteed the stockings a longer life.

Undeterred this quip, Mr. Chase went on to say that the index allowed but a half a workingman's suit per year, and but one pair of woollen underwear, so that a man would have to stay in bed on Sundays while his wife washed his underclothing.

"What about last year's?" the chairman asked.

* * *

Another Champ Clark

ON February 14, 1911, a gentleman by the name of James Beauchamp Clark, who was leader of the Democratic party in the House of Representatives at Washington, achieved for himself almost undying notoriety in Canada by the manner in which he hailed the prospective reciprocity treaty with Canada. "I have no doubt whatever," he said, "that the day is not far distant when Great Britain will joyfully see all her North American possessions become part of this Republic."

Last week his son, Bennett Champ Clark, U. S. Senator from Missouri, was asked if he thought Canada ought to be invited to join in a common front with the other Americas against outside aggression. He answered: ". . . we must remember that Canada is not an independent nation like the United States and the other sovereign nations of the Americans."

Like father like son! These Champ Clark fellows are pretty stupid when they start talking about Canada.

As Others See Us . . . . .

Civic Debt Problems
Winnipeg Free Press

Apart from unemployment relief, the Federal Government will have to give attention to the general financial position of western cities as well as the provinces. The Dominion has been seeking some practicable way of reducing the debt charges of the provinces. The cities should be included, for their necessities are just as urgent. There is growing recognition of this in the East. The Financial Post says that the debt burdens of the western provinces should be reduced, just as the burdens of the farmers in the drought areas have been, and that "with this is allied the problem of the debt burdens of western municipalities." The Post looks to a refunding of provincial debts with federal guarantee, at lower interest rates.

Post Makes a Prophecy
Drumheller Plaindealer

The Financial Post, in a feature article, sees the doom of the Social Credit Government within the next few months. Social Credit supporters will indignantly repudiate such a prophecy as being a distorted summary of events — but, unless some steps are taken within the near future to implement the promises made by Premier Aberhart and his Government in the election campaign of fifteen months ago there is every indication that Alberta will be in the throes of another election in 1937.

Since the election Mr. Aberhart has been working against new odds. An upward trend in business and prices has chased away the spectre of the wolf at the door. Many people who supported the Aberhart cause in 1935 did so because they felt they had nothing to lose. Today, with wheat hitting the dollar mark; with a miniature boom getting under way in Turner Valley; with a freer movement of currency, those self-same people are not quite so sure that conditions "can't be worse." In other words, they are not quite so eager to see an interesting political experiment worked out, particularly if it means giving up a portion of the hard cash which has come their way.

The prophecy of The Financial Post, we believe, can be taken seriously.

When Mergers Take Place?
St. Catharines Standard

Unemployment these days is a grim spectre to anyone. Even in isolated cases, where men and women lose their jobs by merger, amalgamation or some form of contraction in industry, it is the occasion of sad reflections by the general public. What is the usual treatment in regard to employes, senior and junior? Are corporations all as soulless as described?

The Financial Post this week deals with this situation, in regard to the condition as described:

"Most banks take it as a matter of course that all personnel be retained when a merger takes place. A recent insurance company merger kept its new staff on entirely, with two exceptions."

These are the "big interests" which the cheap politicians of the day like to crack down upon. Their policy in general is that pointed out by The Post, and one thing is shown surely, this is a more liberal age in spirit and practice than those that have preceded it.

Wise Men in Business

Ottawa Journal

The Financial Post, staunchly friendly to business, gives business some friendly advice. Pointing out that big business houses spend a great deal of time and money in making representations to governments, and in gaining the goodwill of politicians and parties, this by lobbying and sometimes by campaign funds, The Financial Post says that business would go farther and fare better if it thought less about governments and parties and more about the public.

That is true. The Journal has protested often against the inquisitorial and prosecuting methods of Royal Commissions, against their methods of "headline" evidence. Unfortunately, the principal victims of this type of enquiry too often make their defense impossible, with the consequence that the rain of indiscriminate condemnation falls on the just as well as upon the unjust. The fair businessman suffers with the unfair; the wise with the unwise.

It is one of the troubles with what we call "individualism." Private enterprise, as free as possible of state regimentation and bureaucratic interference, is a great thing. It is liberty, as opposed to compulsion. But when liberty divorces itself from responsibility, when private enterprise abuses its privileges, when it refuses to play fair with the public, then the whole principle of free enterprise suffers. A weapon is placed in the hands of every Socialist and Communist, of every ignorant and malicious critic, of all who would like to see free enterprise go down.

The pity is that more businessmen do not see this. Too often they don't see it. Too often they leave the conduct of their public relations to men who, whatever their capacity as executives, do not seem to realize that a limited liability corporation has definite public responsibilities, and whose horizons are extremely limited. The arbitrary closing down of a textile plant in Quebec last winter, with hundreds of men thrown out of employment, this obviously as defiance to the Government, may have been the work of a good ledger-keeper. It was not the work of a wise man—nor of an educated and responsible businessman. Somebody evidently thought that the business of this particular plant was the business of its owners, and of nobody else. He was, as events were to show, pathetically wrong.

It may be difficult, in a young country such as Canada, to secure business executives and business leaders of the wide outlook and social consciousness and understanding found among business and industrial executives and leaders in an old country, such as England. Yet if Canadian business and free enterprise are to survive attacks against them, if the dead hand of bureaucracy is to be avoided, a beginning had better be made in educational processes toward greater responsibility.

The Public and Economy

Saint John Telegraph-Journal

Hon. J. L. Ilsley, federal minister of national revenue, has the right idea. Just because the Dominion's national income this year will exceed that of 1935 by some $600,000,000, there is no reason, Mr. Ilsley believes, why this should be the signal for an orgy of increased expenditures. In fact, he believes that the time is ripe for the consolidation of public opinion against protracted government spending, so that balanced budgets may be achieved coincidentally with reduced taxation.

There is good reason why every effort should be made to reduce the amount of taxation upon the people of the Dominion. The minister pointed out that the increase in national income was closely related to the recent revival in export trade. With a scaling down in the taxes imposed upon business and industry, as well as upon individuals, the cost of production of the commodities which figure in our export trade will be reduced to that extent, and they will more readily compete with the output of other countries in world markets. As Canada depends to a great extent upon her export trade, the advantage of lower production costs through reduced taxation will be immediately realized.

"We have most sanguine expectations," said Mr. Ilsley, "that, with the restoration of trade to the high levels of some years ago, our unemployment and railway problems will be greatly simplified, if not completely solved." The total of Canada's trade, inward and outward, increased by more than $240,000,000 in the year. But if this increase is to be maintained to the fullest possible extent, all possible shackles must be removed from production, and these include taxation. Of the sales tax, which now stands at 8%, Mr. Ilsley says:

"Individuals, corporations and communities who feel and deplore the weight of this tax should organize, not to press governments for additional expenditures, but to prevent governments from making additional expenditures. It is those of us on the firing line, those who have to collect the taxes who realize the imperative necessity of economy in governmental administration. I wish I could say something here tonight that would marshal in favor of economy the powerful forces of public opinion."

These words should find a sympathetic response from one end of Canada to the other.

Stop Me If You've Heard This One . .

Liza, the negro cook answered the telephone one morning, and a cheerful voice enquired:

"What number is this?"

Liza was in no mood for trifling, and said with some asperity: "You-all ought to know. You done called it."

Other People's Views . . . .

Shortage of Pens?
Winnipeg Free Press

It is very difficult to understand the difficulties which Mr. Aberhart is apparently meeting in giving the people of Alberta social credit. Asked during the Alberta election where he would get his social credit, Mr. Aberhart is reported to have said: "From the end of a fountain pen, where the banks get their credit." Are there no fountain pens in Alberta?

Alberta's Stake in Insurance
Edmonton Journal

The annual report of the Alberta superintendent of insurance shows that the people of the province have invested their savings in life policies on a large scale. The face value of these was $323,173,030 last year and premiums of $10,230,728 were paid by over 100,000 persons.

Everyone who has bought insurance has become a capitalist through that investment.

Money has been supplied from these great repositaries of the savings of thrifty citizens to promote development of all kinds. With it the building of railways, roads and schools, agricultural and industrial operations and much else have been financed. While, like all lenders, the insurance companies must be prepared under existing conditions for lower returns on the funds they have advanced, justice to those from whom these have come demands that their principal be protected as fully as possible.

In the Mail

(Not over 200 words, please)

Jackman and English Railways

Editor, The Financial Post:

My attention has been drawn to the report of a speech by Prof. Jackman before the Canadian Club at Ottawa which contains the following:

"In Great Britain, the former separate railways (more than 100 in number) have been brought together into four systems, each having a monopoly of the railway service in its own territory."

This statement is partly misleading and partly untrue. Before the amalgamation of the railways into four systems there were less than 20 railways of any importance, and some of these were already closely linked together (e.g. L.N.W., Midland, and Lancashire and Yorkshire). The amalgamation did not give monopoly where it did not already exist. There was no important decrease in competition resulting from this compulsory amalgamation, and competition was deliberately maintained throughout the main industrial areas: London to Birmingham and the Mersey; London to Leicester, Nottingham, Sheffield and Leeds; London to Edinburgh and the north; Edinburgh to Glasgow; Liverpool to Manchester and Sheffield; Birmingham to Bristol. I challenge Prof. Jackman to mention any major reduction in competition resulting from the amalgamation.

The astonishing thing, entirely overlooked by Professor Jackman, is the way in which the railways in Britain have co-operated since the formation of these four groups. They have made passenger tickets interchangeable; jointly purchased the largest delivery service in London; jointly purchased a controlling interest in some of the most important long distance bus services; and formed an organization for joint advertisement of services and hotels. They have, in fact, shown conclusively that co-operation and competition are not necessarily incompatible.

VERITAS,
Toronto.

Tribute From a Reader

Editor, The Financial Post:

I have been in Canada 10 years, and while my name is not on your subscription list, I never fail to get your paper and read it.

I find your editorials very interesting, instructive and hewing to the line. I feel that you are due the expression of approval and co-operation from your readers in helping build up Canada financially and morally.

JAMES L. TURNER,
Welland.

Britain's Labor Party
By H. N. BRAILSFORD

Last month at Edinburgh the Labor party held the most disastrous annual conference in its history. Its moral bankruptcy is apparent not merely to its opponents, but to its own adherents also. It is hopelessly divided: its leaders have lost the respect of the ranks; it has no policy on which it can advance; it is impotent even as an opposition. As an effective political force, it has ceased to exist, and nothing survives save the machine which it uses to crush all that still lives within it. It could not in this condition form an alternative government, and the hope has vanished that it may win a majority in the next or any early election. It is collapsing partly because its leaders are morally and intellectually unfit for their task. It might before now have found its own soul, were it not that it is cursed with a constitution that defeats democracy. A revolt is possible that may reform it from below, but such changes demand time and put a party out of action until they are completed.

Australia is a Democracy
Australian News Letter of the Empire Press Union

In Australia, Fascism and Communism are subjects for academic debates, but probably more than 90% of Australians are not influenced by them. The occasional Communist candidate, loses his deposit at the election. Up to the present a Fascist candidate has not presented himself. There is a solid national belief that the people can secure any governing changes they desire by means of the democratic system. They have already secured social services for 6¾ million people at a cost of £44 millions a year. These services include old age and invalid pensions, child welfare grants, sustenance in unemployment and (in some States) pensions for widows and children.

At present British experts are preparing for the Commonwealth Government a complete scheme of social insurance, which will combine several existing services.

In Germany, Home of Art
Time

The last form of criticism permitted to survive in Germany was artistic criticism. This was officially abolished last week by a decree of Minister for Propaganda & Public Enlightenment Dr. Paul Joseph Goebbels, who thus firmly shackled the sublime to the ridiculous:

"To demonstrate the unhalting victory march of our cultural life, I have by decree forbidden all criticism and replaced it with art observation or art description."

Before being permitted to observe German art professionally and describe it in print, former art critics must now obtain a license from Dr. Goebbels. His decree was issued partly because the crushingly propagandized German cinema industry is now playing to nearly empty houses which Germans crowd to see the few U. S. films admitted to their Fatherland. This state of affairs Dr. Goebbels chooses to blame on his country's cinema critics.

Week in Business

Stores Check Business From King's Birthday

Retail Places Packed When Holiday Is Observed Dec. 14 — But Mostly by Children — Buying Difficult

One of the most interesting business situations created by the accession of a new king is the fact that George VI was born Dec. 14 And Dec. 14—as most people are very definitely aware—is only nine shopping days from Christmas.

Thus in all parts of Canada hundreds and thousands of people got a welcome and unexpected holiday which most of them proceeded to use in the great annual Anglo-Saxon struggle called Christmas shopping. A new factor has therefore entered the retail lists, namely a pre-Christmas holiday which The Financial Post estimates was enjoyed by almost 3,000,000 people.

* * * *

Crowds Versus Cash

Just how important this day will ultimately become in the business life of the community remains to be seen. For of the 3,000,000 people who automatically celebrated this government or "bank" holiday, about 2,500,000 were school children or students. The remainder is distributed as follows: teachers—90,000; bank officials and employees—25,000; insurance officials and employees—50,000; lawyers, judiciary, etc.—30,000 to 40,000. Between 175,000 and 200,000 are employed by governments and government services.

The school children proved a problem. This week they thronged and packed retail stores in the big cities to such an extent that serious buying by their elders became difficult if not impossible. Thus merchants reported record crowds for the day but were not so sure their cash registers were as busy as they could have hoped for.

* * * *

Boxing Day

So much for Dec. 14. Which brings up the question of another holiday around which much controversy rages, namely—Boxing Day. This old English title for Dec. 26, which has come into favor in Canada as a post-Christmas holiday for retail stores is gradually obtaining wide acceptance and this year advance reports from Ontario cities indicate it will be generally observed in Toronto, Hamilton, Peterborough, London, North Bay and Ottawa. Other Ontario cities where the matter is still under consideration are: St. Thomas, Kitchener, Belleville, Windsor and Orillia. The problem is complicated this year by reason of Dec. 26 being a Saturday.

In other provinces, observance will be mixed, with most bigger centres such as Vancouver, Winnipeg, Regina, Saskatoon, Halifax keeping the holiday fairly strictly. In Manitoba there is provincial legislation affecting all communities. In many other places provincial control is effected by municipal ordinance as in the case of Regina and Saskatoon. Maritime stores will remain generally open except in Halifax.

* * * *

Business in 1937

As usual, Col. Ayres, of Cleveland, has officially opened the forecasting season by his prognostications for 1937. With government regulation and direction looming so largely on the business scene he confines himself this year to generalities rather than specific estimates. Highlights of his views are:

1. That business will be better generally in 1937 than in 1936 despite unrest that prevails in much of the world, the labor difficulties which may develop in U. S. and new legislation which Congress may enact.
2. Volume of construction should increase but no boom can be expected as yet.
3. The increase in rail traffic will be largely dependent on the advance in building volume.
4. Automotive production will be as large or larger than 1936.
5. Wholesale and retail prices will advance moderately but "inflation will not develop in the U. S. in 1937 because despite all recovery we have made we are still in the depression."
6. Interest rates may be expected to remain low which means bond prices will be high. "Stock prices also will surely be high—and may be expected to continue their advancing trend as long as the ownership of stocks is more attractive than the ownership of money."

Favorable

Carloadings moved sharply higher as movement of miscellaneous freight in week ended Dec. 5, rises almost 12%.

Wheat Exports soar sharply during November. Flour exports in same month still considerably lower than for same month last year.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Dec. 5)	▲50,047	44,921	2,344,259	2,236,566
C.N.R. gross earn. (Dec. 7)	$ ▲3,623,039	$ 3,442,867	$ 173,209,303	$ 161,651,451
C.P.R. gross earn. (Dec. 7)	$ ▲2,806,000	$ 2,793,000	$ 129,113,000	$ 118,885,000
Business Conditions—				
Weekly index D.B.S. (Dec. 5)	▲112.1	96.8	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (Oct.)	116.7	106.2	......	......
Transportation—				
C.P.R. net revenue (Oct.)	$ 4,403,183	$ 4,249,343	$ 16,230,651	$ 15,636,101
C.N.R. net revenue (Oct.)	$ 3,636,519	$ 3,628,065	$ 9,843,980	$ 9,762,625
Iron and Steel (October)—				
Pig iron production (tons)	70,051	46,521	535,836	464,585
Steel ingots and castings prod. (tons)	98,330	95,016	912,064	742,720
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Oct.)	3,441	2,953	79,247	72,797
Factory output (Oct.)	4,592	7,128	104,680	116,332
Trucks and Buses:				
Domestic sales* (Oct.)	1,079	983	18,799	16,563
Factory output (Oct.)	769	1,185	26,419	29,390
Exports (Oct.)	2,922	3,931	46,699	53,415
Construction—				
Building permits (Oct.)	$ 4,120,416	$ 4,030,318	$ 33,553,743	$ 40,711,114
Contracts awarded (Nov.)	$ 13,840,400	$ 8,290,800	$ 156,489,200	$ 155,940,100
Newsprint (tons)—				
Production (Oct.)	301,106	266,515	2,604,831	2,245,129
Exports, tons (Oct.)	280,732	240,421	2,411,018	2,053,207
Sugar (lb.)—				
Melting & sales§ (raw)	100,937,342	86,100,288	783,496,087	716,071,482
Manufactured§	141,356,351	129,825,202	802,444,724	754,506,205
Flour (bbls.)—				
Production (Oct.)	1,701,267	1,824,754	12,408,090	11,647,780
Wheat flour exports (Nov.)	▲408,653	525,368	4,374,789	4,437,189
Trade—				
Retail trade (index no. of sales) (October)	▲76.8	73.0	......	......
Imports (October)	$ 65,186,563	$ 52,751,020	$ 516,052,936	$ 455,787,336
Exports (October)	$ 113,002,780	$ 91,822,850	$ 805,629,169	$ 663,413,271
Wheat exports (bush.) (Nov.)	▲33,308,840	26,575,296	222,603,614	148,628,829
Employment, D.B.S. Index (Nov. 1)—				
All industries	111.0	107.7	......	......
Manufacturing	107.7	103.5	......	......
Electric Power Output (Oct.)—				
Total monthly m.k.H. (000's omitted)	2,378,399	2,162,569	20,901,116	19,104,573
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (October)	185,338	138,118	1,322,846	1,106,764
Boot & shoe prod., pr. (Oct.)	▲1,927,901	1,911,713	18,746,259	18,440,561
Crude petrol, imp. gal. (Oct.)	158,755,174	133,728,567	1,037,902,097	981,755,072
Cotton imports, lb. (Oct.)	16,542,791	10,770,453	108,336,956	93,619,285
Raw rubber imp., lb. (Oct.)	6,965,578	1,819,433	50,499,531	44,611,407
Coal imports, tons (Oct.)	1,638,259	1,314,128	11,039,650	10,845,382
Finance—				
Bank debits (Oct.)	$ 3,328,226	$ 2,907,516	$ 29,221,453	$ 25,592,252
Bond sales (Oct.)	$ 125,730,675	$ 65,915,953	$ 1,135,625,525	$ 717,482,390
Life insurance sales (Oct.)	$ 30,092,000	$ 30,416,000	$ 302,402,060	$ 297,676,000
Automobile Financing (Oct.)—				
Used cars	$ 1,703,273	$ 1,266,777	$ 21,865,029	$ 15,938,992
New cars	$ 1,519,272	$ 1,096,937	$ 26,064,055	$ 19,882,187

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to October 31.

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25

TORONTO PRESIDENT

Life underwriters at Toronto last week elected J. (Jim) S. P. Armstrong, agency manager of Dominion of Canada General, as president of the Life Underwriters Association of Toronto for 1937.

Other members elected to the association's executive included: A. E. Wall, Confederation Life, 1st vice-pres.; A. C. Dand, Travelers Ins., 2nd vice-pres.; A. L. Spracklin, London Life, hon. treasurer; J. C. Kyle, Metropolitan Life, hon. sec'y. H. T. Meek was re-elected secretary-treasurer.

Patent Office Files Record Progress

Scientific Advance Shown in All Branches of Industry

Technical progress in the textile industry is reflected in the annual report of the commissioner of patents at Ottawa covering the fiscal year ended March 31, 1936.

Of applications for patents totalling 12,580 for the year, the greatest increase in activity is noted in the field of organic chemistry, particularly that relating to artificial resins, dyes and chemicals used in the treatment of textiles. Prominent among these have been patents sought for wetting-out or surface-tension reducing agents.

The science of dietetics and medicine received its fair share of attention. Synthetic processes of preparing sex hormones which have received wide publicity during the year are reflected in the Ottawa files while work is apparently going ahead steadily in the study and extraction of vitamins.

New Steel Alloys

The steel industry registered its advance with numerous applications for the patenting of new alloys and for heat treatment of metals and alloys to enhance their physical property.

The stage is being prepared, even though slowly, for the commercializing of radio television and cathode ray receivers, scanning apparatus and short wave receivers have been given marked attention.

The steadily rising standard of living conditions is also reflected in the report. Air-conditioning methods have been going ahead apace. Lighting, both commercial and domestic, is progressing with the development of the electric discharge lamp as a substitute for the incandescent. Food compounds and processes for their preservation continue to occupy the attention of the inventor, particularly in the field of paper and cardboard containers.

Patents Granted

More than 12,000 applications received at Ottawa resulted in the granting of 8,377 patents during the year or a decrease of 6% from last year's total. Copyrights recorded totalled 3,403 and registered trademarks, 1,574. Fees collected during the year totalled $454,761 or a 7% increase over last year.

The largest bulk of patents registered were in favor of American inventors who recorded more than 5,000 in Canada during the year. Great Britain took second place with 802 patents and Canada third with 792. Of the Canadian total 365 came from Ontario and 207 from Quebec.

Mink Prices Boosted 60% Over Last Year

From Our Own Correspondent

WINNIPEG.—Mink was the outstanding article in the first auction fur sale of the 1936-37 season held by the Dominion Fur Auction Co. here. Ranch-bred mink sold at prices 60% above the opening range of last season, and good dark skins brought from $26 to $38. Ordinary quality ranch-bred skins brought from $14.50 to $20. Large and double extra large beaver were in demand on the basis of $18.

The demand for ermine was exceptionally strong. Double extra large brought from $1.62½ to $1.80. Extra large $1.27½ to $1.35; large from $1.07½ to $1.20. Fisher proved to be wanted in the medium to small class and sold up to $61. In the cross fox section stale skins were neglected, but for the better pelts the demand was good at last season's opening prices and skins sold up to $43.

Badger was a poor collection and neglected. A good interest was shown in the better quality red fox and a decided improvement in demand. They sold $14 to $19.75.

Gross Margin of 38% Shown For Chain Stores

A detailed study of variety chain operations and profits in United States in 1935 has been published by the Harvard Business School through its Bureau of Business Research. The report covers chains controlling somewhat more than 90% of the trade and having aggregate net sales in 1935 of $742 millions. There were 30 firms included in the study operating some 4,974 stores.

Gross margin for the year was shown at 36.25% and net profit 4.5% after deduction of 15.3% for salaries and wages, 10% for tenancy costs and 6.5% for all other expenses including interest.

Background of Business

Tanners Raise Protest On Leather Substitutes

Claim Manufacturers Using Cheaper Materials — Truckers Seek New Franchise

Substitution of inferior leather and materials is being practised by some Canadian shoe manufacturers according to opinions expressed at the annual meeting of the Canadian Tanners Association at Toronto last week. Reason for the substitution was attributed to the fact that extremely competitive conditions have prevented general increases in shoe prices despite substantial increases in prices of raw materials.

"Raw hides, sow, goat, calf and sheep, from which all upper leather is made, have advanced over 70% and yet the distributor claims he must sell his shoes to the public at the same price that prevailed 12 months ago," is the viewpoint of the tanners.

Looking ahead to 1937, further increases are expected in sole leather prices and "further substitution of cheaper materials in spring shoe offerings. No general improvement in retail prices is expected next spring although some individual lines will be higher. Chief hope for increased prices as far as tanners are concerned lies in fall business.

* * *

Trucks After Business

A minor upheaval in Eastern railway freight circles has been caused by three applications for truck franchises before the Ontario Municipal Board, says Bus and Truck Transport.

First application was from Earl J. Williams of Windsor who wishes to form a Canadian company to purchase ten new specially made Canadian tractor-trailors to haul new United States-made automobiles by truck, in bond from Detroit to Buffalo. He wishes to link with similar services in the States and save a haul of 200 miles during the winter. In summer the business will be carried on by steamer.

The other two applications before the Board were for the same purpose in the general merchandise field except that in this case it was thought to carry both eastbound and westbound loads. One of these is from Leather Cartage Company, Hamilton. Due to bitter opposition to the plan by the railways, the hearing of the other two applications was adjourned until Dec. 15.

In defense railway companies claim that a great deal of this traffic between Detroit and eastern U.S. points is at present passing over their lines. They claim 95% of all cars shipped from motor car manufacturers in Detroit go by rail. They claim they are equipped to handle more of this type of traffic and the new service would not be a matter of public convenience or necessity. During the period of adjournment the railways have been asked to give figures to show what proportion of total car shipments they are carrying at present and also data on how many cars are being transported by truck.

"The project developed by Mr. Williams is an ambitious one," says Bus and Truck Transport, "involving the erection of his own gasoline stations and repair shops all along the route and the eventual expansion to operate 50 trucks, construct terminals, etc."

* * *

Labor's "Health" Pay

That the "health" standard minimum for industrial workers in the U. S. A. is currently 73 cents an hour or $29.20 for a 40-hour week is the dictum of the American Federation of Labor made at Washington last week. This is the goal toward which the A. F. of L. intend to work progressively. When that is achieved they will move toward a "comfort-living standard" for every family which they place at $1.77 an hour or $70.80 weekly for the same period. The Federation emphasizes that rates under these minimums must be for steady 40-hour-week employment.

"In the month ahead we must plan for general and recurring wage increases throughout the country" it is reported in the monthly survey of business of the Federation.

* * *

Longshoremen in Union

A local branch has been formed at Montreal of the International Longshoremen's Association. This is an affiliate of the A. F. of L. Officials claim a membership of 3,000.

The new union will attempt to secure a contract with the Shipping Federation of Canada for work on ocean-going vessels at the port of Montreal. The present contract is held by the National Independent Union of Longshoremen, a Montreal organization. It expires at the end of this month.

* * *

Edmonton Buys Cars

Sales of automobiles in Edmonton during October were the highest recorded for any October since 1929, and for some firms were the highest in history, according to a survey of city and district motor dealers by Canadian Automotive Trade. Increases as high as 300% over last year's figures were reported by some firms. One city firm sold 21 new cars in the month.

Good grain crops throughout the Edmonton district, good prices for grain and increased dollar value in automobiles were declared by dealers to have been the reasons underlying the spectacular boom in automobile sales during the month.

Most of the cars sold were for immediate delivery; a small percentage represented orders for spring delivery, it was shown.

As well as new cars, for which the market was spurred by showings of new models in some lines, used automobiles likewise found a warm reception during the past month, the dealers said. Several firms reported that their stocks of used automobiles had been cleared out by the spurt in sales.

* * *

Coal Movement Heavy

Although official figures are not available movement of Cape Breton coal up the St. Lawrence this year will be the largest in the history of the Dominion Coal Company. The year 1934 was "peak year" for coal shipments to the Montreal market, but the 1936 tonnage will greatly exceed the 1934 figures.

Charter boats of Dosco have concluded their sailings for this season to St. Lawrence ports, but the Dosco owned boats, Rosecastle and Lord Strathcona will continue in the coal trade until stopped by ice conditions.

* * *

14,500 on Farms

The Federal Government has completed arrangements for placing 14,500 single unemployed young men on farms in Western Canada during the coming winter according to Hon. Norman Rogers, Minister of Labor.

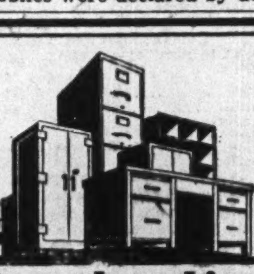
In Saskatchewan alone, 8,000 men have been placed, in Manitoba 4,000 and in Alberta 2,500.

At the present, according to Mr. Rogers, there are more jobs available than men to fill them. The men receive on the farm, board and lodging plus $7.50 a month all of which is paid by the Government.

* * *

Apple Shipments Down

Shipments of apples through Halifax this season are reported as approximately 180,000 barrels, as compared with 436,000 barrels up to this date last year. The falling off is due largely to the unfavorable market in the United Kingdom for imported apples, brought about by the excellent domestic crop in England. There is also a shortage, compared with last season, of high grade Nova Scotian apples. Fortunately the dehydrators are taking considerable quantities of low grade apples.



Standardize

Office atmosphere and appointments play a big part in your business reputation. It's good taste to make your offices attractive. It's good business to equip your staff with proper working facilities.

Standardize on reliable products.

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NEWMARKET, CANADA
Branches in Principal Canadian Cities

New Zealand Expects Trade

Possibilities of New Openings Seen in Canadian Relations

Hope for continued expansion of trade between Canada and New Zealand is expressed in the 19th annual report of the Department of Industries and Commerce of that country. "It is gratifying to note," says the report, "that despite generally adverse conditions our trade with Canada has shown steady improvement during the past two years."

Attention is drawn to the steady expansion in sale of New Zealand fruit in Canada.

"The market is very restricted as to time—May, June and early July—when Canadian stored apples are usually unavailable in quantities in eastern cities. During these months of the current year and outside the fiscal year under review the quantities exported to Canada have again increased and an initial experiment in the sale of New Zealand pears is being tried out. Usually Canada proves itself to be a payable market, the returns received being equal to, if not slightly in excess of the values realized on the English market. Competition is usually keen as New Zealand fruit is sold side by side with stored apples of domestic and U. S. production. The fact that our fruit retains its freshness is a favorable factor in meeting this competition.

"The Canadian Government some time ago imposed a fixed valuation for duty purposes against foreign apples to assist in the possible marketing of domestic supplies and this has proved of substantial value to New Zealand in securing payable returns. Without this special duty New Zealand fruit probably could not successfully compete against low quotations usually offered from New York and other nearby storage and producing states.

"The two main items of our export trade to Canada are wool and casings and the former marked a record over the previous four years. It may be expected that the purchase of raw wool from New Zealand will continue to expand but it is to be observed that many of the Canadian mills are equipped only to deal with tops, main supplies of which are imported from Australia and the United Kingdom.

"Enquiries have recently been received from Canadian firms with reference to the importation into Canada of New Zealand frozen rabbits and other meat products for fox feeding purposes. The development of fox breeding in Canada has assumed very large proportions and difficulties have been experienced by fox breeders in securing adequate supplies of meat at reasonable prices for feeding to foxes."

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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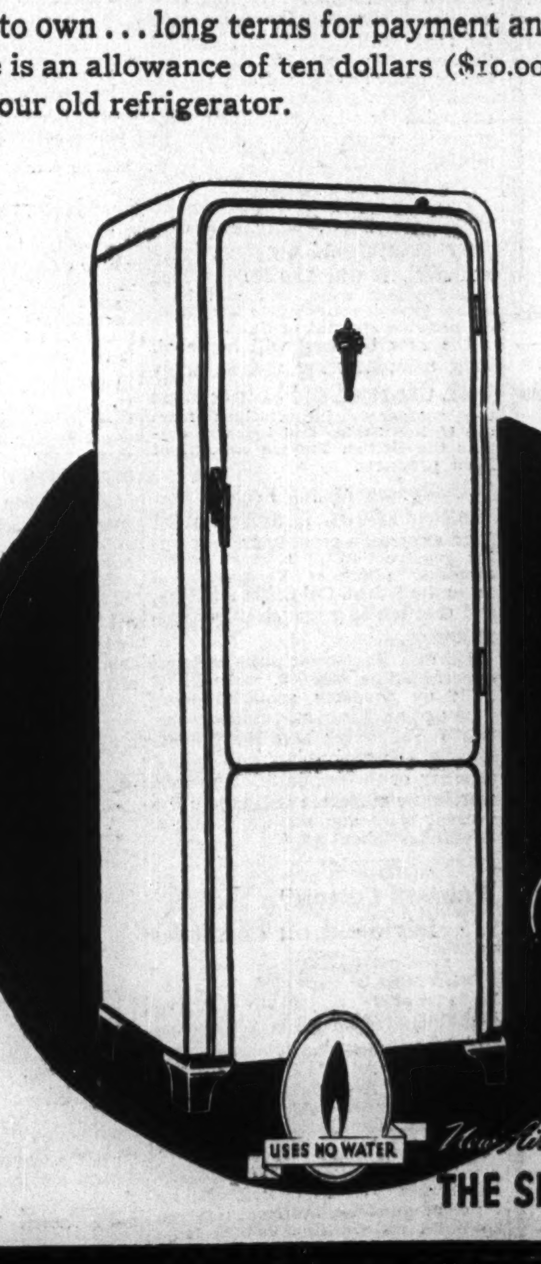

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THE SERVEL Gas Refrigerator

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The Store where Women Like Men to Shop

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EVENING WRAPS

One Christmas present that any woman would welcome. All types from the one above in black velvet with ermine at $75 to a white velvet with Hudson Bay Sable at $750. A splendid assortment. **$39.50 to $69.50**

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Ford Project Of $8 Millions Helps Windsor

Will Spend $5 Millions in 1937 to Increase Plant Capacity

RESOURCES STRONG

Following expenditure of nearly $3 millions in plant improvements at Windsor in 1936, Ford Motor Co. of Canada will spend about $5 millions on further expansion in 1937. The whole programme, involving nearly $8 millions will bring the production capacity to at least 100,000 automotive units annually, an increase of about 25% over former capacity.

The latest announcement from the company is that $3.3 millions will be spent in erecting a huge new body manufacturing and assembly plant adjoining the main Windsor factory. The building will cost about $2.3 millions and tools and equipment about $1 million. This is entirely in addition to expenditures of $1.7 million announced in November. This was made up of $300,000 for enlargement of the main plant and $1.4 million for new machinery.

Helps Windsor

The effect of the huge building programme has been to contribute to recovery in the Windsor area and give scope for greater employment with increased production of motor units. It may therefore help materially to improve the financial position of Windsor, bonds of whose constituent municipalities have been in default.

The combined 1936 and 1937 building programmes are summarized:

Ford Expansion Programme

	$
Power house modernization	1,700,000
New electric furnace building	1,100,000
Total in 1936	2,800,000
Enlargement of main plant	300,000
New machinery	1,400,000
New body and assembly plant	2,300,000
Equipment for new plant	1,000,000
Total in 1937	5,000,000
Grand total	7,800,000

Work on the construction programme involving $5 millions for 1937 is to get under way in January. The plant expansions are scheduled for operation before the end of 1937.

Resources Ample

The company's resources are more than ample to provide funds for completion of the work. At the end of 1935, the net working capital was $22,560,000, and included almost $13 millions of cash and government bonds.

The significance of the combined expansion is apparent when compared with the book values of fixed assets between 1929 and 1935. The home office and branch plants were carried at a total figure of $24,548,000 in 1929 and this had grown gradually to $26.7 millions in 1935. The additions totalling $7.8 millions in Canada will increase the fixed plant assets to about $34.5 millions.

Depreciation reserves had increased to $21.2 millions at the end of 1935 from $13.1 millions in 1929. It is a striking coincidence that the new expenditures are approximately equal to this growth of $8.1 millions.

Increased Demand

The growth of demand for motor cars, and the increase in the Ford proportion of total Canadian production is the chief reason for the building programme. This is shown in the following tabulation:

Production of Automotive Units in Canada

Year	Total	Ford	Ford Pctg.
1928	242,054	75,215	31.1
1929	262,625	87,798	33.4
1930	153,372	70,253	45.8
1931	82,559	30,852	37.4
1932	60,789	25,248	41.5
1933	65,852	26,526	40.3
1934	116,852	47,708	40.8
1935	172,934	80,164	46.4

Associated Ford companies in Australia and New Zealand have completed in 1936 an additional expansion programme involving $1¾ million. New assembly plants were built at Wellington, N.Z., and at Sydney in Australia. The manufacturing plant at Geelong and the assembly plant at Brisbane were also expanded in the Australian programme which cost nearly $1.1 million.

One-story Building

The new body and assembly plant at Windsor, Ont., will be a one-story structure of concrete, brick and steel. It will be 1,000 feet long and 570 feet wide, and will have a new type of roof to give the greatest possible amount of light.

The new building will house all body manufacturing and assembly work. One result will be to decrease the company's importations from the United States and increase further the British Empire content of Ford products.

Vancouver and Regina

Another $450,000 is added to the Ford expansion programme in plans for construction of a new branch assembly plant at Vancouver to serve the British Columbia territory, and erection of a branch warehouse at Regina.

The new Vancouver plant will cost approximately $400,000, and will be built on property acquired some time ago on Kingsway, midway between Vancouver and New Westminster. The new plant will have a capacity of 30 cars daily. The new warehouse at Regina will adjoin the present sales and service building. It will cost about $50,000.

Wabasso Cotton to Pay Dividend on Common

From Our Own Correspondent

MONTREAL.—Directors of Wabasso Cotton Co. have declared a dividend of 25 cents a share on the common, payable Jan. 2 to shareholders of record Dec. 19. This marks the first declaration since 1928, the last dividend, amounting to $1 a share, being paid in October of that year.

In the last four years the company has reported earnings available on its common stock, but has preferred to build up working capital from $915,917 to nearly $1.6 million than to pay out anything on the common. For the 10 months ended May last the company earned $1.52 a share on the common. This does not include income from St. Maurice Valley Cotton Mills.

THE 1937 FORD V-8 DE LUXE TRUCKS

New styling features the 1937 Ford V-8 de luxe trucks. Frontal appearance is enhanced by hood louvers and radiator shell of new design and by horizontal grill bars. Chromium fittings have been added to the de luxe units, which also have ventilating rear window, cigar lighter, ash tray, sun visor and other features. One of the most widely used Ford truck units is the new two-ton, heavy duty, 157-inch de luxe model with 95 horsepower engine, which is shown above with a stake body. Among the important features of this unit are: All steel cab with safety glass and clear-vision ventilation, cowl ventilator, opening windshield, interleaf spring lubrication, torque tube drive and radius rod assembly, and full floating rear axle.

Company Reports

Brewing Corp. of Canada

Reduction in operating breweries from nine to six had the effect of placing operations of Brewing Corp. of Canada Ltd. on a more economically sound basis, but it failed to offset increased sales taxes and costs of raw materials in the quarter ended Oct. 31. Sales were maintained but earnings dropped to 53 cents a share on the preferred stock against $1.08 in the corresponding quarter of 1935. The same dividend, 37½ cents for the quarter, was paid.

Production of the company is now concentrated at Ottawa, Toronto, Hamilton, Windsor and Waterloo.

Working capital position has improved in the 12 months ended Oct. 31, 1936, rising from $1,273,834 to $1,488,826. In the same period, profits declined from $222,445, after depreciation and interest charges, in the year ended Oct. 31, 1935 to $117,110 for the year ended Oct. 31, 1936. These were equal to 72 cents a share on the preferred in the 1936 period compared with $1.37 in 1935.

Comparative figures follow:

Income Account
Three Months Ended Oct. 31

	1936 $	1935 $
Profit from oper.	749,959	884,414
Less: Taxes	540,876	587,765
Other expend.	8,828	9,655
Depreciation	87,715	97,642
Interest	26,556	14,171
Net profit	85,984	175,181

Income Account
Twelve Months Ended Oct. 31

	1936 $	1935 $
Profit from oper.	2,924,898	2,951,128
Add: Other income	54,377	18,401
Gross income	2,979,275	2,969,529
Less: Taxes	2,404,255	2,304,736
Depreciation	368,659	370,645
Interest	89,250	71,703
Net profit	117,111	222,445

Working Capital Position

	Oct. 31 1936 $	Oct. 31 1935 $
Current assets	2,563,086	2,140,871
Current liabilities	1,074,260	866,937
Working capital	1,488,826	1,273,834

Celanese Corp.

Celanese Corp. of America reports a net profit from operations during the half year ended June 30, 1936, of $2.8 millions. Added to this was other income, bringing net earnings to nearly $2.9 millions. Profits available for dividends amounted to $1,880,601, equivalent to $16.38 on the prior preference stock; $9.98 on the first participating preferred and 86 cents a share on the common stock.

Current assets of the company at the end of last June amounted to $14.3 millions, as against liabilities of $2.7 millions, leaving a working capital of $11.6 millions, compared with $12.6 millions at the end of 1935.

Cons. Income and Surplus Account
6 Months Ended June 30, 1936

Net profit from operations	$2,812,689
Add: Interest	1,657
Dividends	71,121
Sundry income, net	4,796
Profit on sale of assets	1,012
Net earnings	2,891,275
Less: Depreciation	608,964
Int. on notes pay. & on mtge.	97,291
Losses on sale of assets	184
Federal inc. tax provision	304,235
Net profit	1,880,601
Less appropriations:	
Prior pref. dividends	401,863
1st partic. pref. dividends	619,388
Common dividends	500,000
Surplus for period	359,350
Add: Previous surplus	8,801,588
Balance carried forward	9,160,938

Biltmore Hats Ltd.

Earnings of $4.73 per share on the 20,000 outstanding common shares of Biltmore Hats Ltd. in the fiscal year ended Nov. 30, 1936, compare with earnings of $3.16 per share in the previous fiscal period. The increase is the sixth consecutive annual gain in earnings, and, according to F. R. Ramsey, president, sales of Biltmore hats in the fiscal year just closed were higher than in any previous single year in the company's history. Improvement in the domestic market has been accompanied by increased export sales and indications of an increasing volume of export business.

Earnings on the preferred stock were equal to $57.13 a share against $41.05 last year, the 1936 profit being equal to 7.45 times the dividend on the 7% cumulative preference shares.

Comparative figures follow:

Income and Surplus Account
Years Ended Nov. 30

	1936 $	1935 $
Total earnings	191,695	149,749
Less: Directors' fees	200	300
Remuner. of officers	26,400	28,765
Depreciation	20,614	19,540
Legal fees	550	......
	143,931	101,144
Less: Income tax res.	24,244	15,151
Net profit	119,687	85,993
Less appropriations:		
Preferred divds.	14,665	15,783
Prov. for red. of pref. shares	10,337	6,939
Common divds.	45,000	30,000
Surplus for period	49,685	33,271
Add: Prev. surplus	140,060	107,629
Less: Inc. tax pr. yrs.	1,635	820
Balance forward	188,110	140,080

Working Capital

	1936 $	1935 $
Current assets	436,780	362,160
Current liabilities	44,768	35,609
Working capital	392,012	326,551
Ratio	9.76—1	10.17—1

National Light & Power

National Light & Power Co., Moose Jaw, had an output of 20.4 million kilowatt hours in the 10 months ended Oct. 31, compared with 18.1 million in the same period of 1935. According to reports prepared by McLeod, Young, Weir & Co., bond interest for the period was earned 1.8 times after depreciation compared with 1.5 times in the 1935 period.

Income Account
Ten Months Ended October 31

	1936 $	1935 $
Operating earnings	433,443	408,004
Less: Oper. expenses	187,834	198,345
Net oper. earnings	235,609	209,659
Less: Depreciation	57,344	57,195
Add: Misc. earnings	5,670	4,509
Earns. avail. for int.	183,935	156,973
Less: 1st mtge. bond interest	103,375	103,088
Balance before inc. tax, amort., etc.	80,560	53,885

Marcus Loew's Theatres

Marcus Loew's Theatres, Toronto, reports earnings equivalent to $12.51 a share on the preferred stock in the year ended Aug. 27, 1936, compared with $7.83 a share in the preceding year. This covered the full $7 dividend comfortably but arrears remain at $43.75 a share.

The mortgage of some $31,000 has been paid off the Uptown Theatre which is expected to allow payments on arrears as soon as earnings warrant it.

Income and Surplus Account

	Aug. 27, 1936 $	Aug. 29, 1935 $
Net earnings	150,381	115,165
Less: Depreciation	43,962	43,967
Reserve for taxes	15,324	10,596
Executive salaries	7,800	7,350
Sec. & legal fees	1,500	2,029
Net profits	81,795	51,223
Less appropriations:		
Preferred dividends	45,773	45,773
Surplus for year	36,022	5,450
Add: Previous surplus	663,394	656,305
Profit on sale of assets	......	1,639
Surplus forward	699,416	663,394

Working Capital

	1936 $	1935 $
Current assets	183,975	130,818
Current liabilities	17,611	13,031
Working capital	166,364	117,787
Ratio	10.44—1	10.04—1

Loew's London Theatres

Loew's London Theatres Ltd. had net profits equivalent to about 33 cents a share on the preferred shares of $10 each in the year ended Aug. 31, 1936. This compares with 15 cents a share in the preceding year. As a result of the improved earnings there was only a small deficit for the year after paying dividends of 35 cents a share. The shares are now in arrears of dividends of 17½% or $1.75 a share.

Income and Surplus Account

	Year Ended Aug. 27, 1936 $	Year Ended Aug. 29, 1935 $
Total revenue	33,744	31,889
Less: Taxes & insur.	13,134	12,888
General expenses	3,145	3,235
Directors' fees & exps.	726	898
Repairs & renewals	29	1,813
Net earnings	16,710	13,055
Less: Depreciation	3,529	7,058
Res. for income tax	2,077	987
Net profit	11,104	5,010
Less appropriations:		
Preferred dividends.	11,809	11,809
Deficit for year	705	6,799
Add: Previous surplus	5,542	12,144
Profit on sale of equip.	......	197
Balance carried forw'd	4,837	5,542

Working Capital

	1936 $	1935 $
Current assets	58,170	54,503
Current liabilities	2,383	1,407
Working capital	55,787	53,096
Ratio	24.41—1	38.74—1

Celluloid Corp.

Celluloid Corp., controlled by Celanese Corp. of America, reports a gross profit from operations of $410,186 during the half year ended June 30. After deducting operating expenses a net operating profit of $24,221 resulted. Other income totalled $61,442, bringing the total earnings to $85,663.

The balance sheet as at June 30 last shows current assets amounting to $3.6 millions, as against current liabilities of only $231,619, leaving a working capital of about $3.4 millions.

Dividend arrears on preferred stock totalled over $1.7 millions at the end of last June, comprising $34.50 a share on the first preferred participating stock at $38.50 a share on the $7 dividend preferred stock.

Loblaw Groceterias Co.

Loblaw Groceterias Co. reports a gain of 13.9% in sales for the four weeks ended Nov. 14 and an increase of 7.3% in profits. For the 24 weeks ended Nov. 14, the increase in sales is almost $1 million, or 14.2%, and the gain in profits is $45,592, or 14.9%.

Loblaw Sales and Earnings

4 wks. to Nov. 14:	1936 $	1935 $	Incr. %
Sales	1,452,910	1,275,637	13.90
Profits	68,149	63,535	7.26
24 weeks ended Nov. 14:			
Sales	7,984,368	6,991,340	14.20
Profits	351,793	306,201	14.89

Note:—The company points out that four-week period statements are not wholly reliable, on a comparative basis, as an index of the year's earnings trend, inasmuch as special buying opportunities in one period may not have any such special factor in the period with which the results are compared. December and January are the company's best months.

Three Legaré Officials To Appeal Convictions

MONTREAL.—P. C. Falardeau, J. H. Fortier and P. W. Fortier, three directors of P. T. Legaré Co. found guilty of conspiracy to defraud, will appeal the sentence of the court. Falardeau and J. H. Fortier were sentenced to 23 months and P. W. Fortier to 12 months in jail.

Hydro Doubles Mine Customers

Completes Rat Rapids Unit and New 93-mile Power Line

Northern properties of the Hydro-Electric Power Commission of Ontario will be serving 39 mining companies at the end of this year, an increase of 20 over the 1935 total.

Latest plant developments on northern Ontario properties are completion of the installation of an additional generating unit at Rat Rapids and completion of 93 miles of 110,000-volt transmission line from Iroquois Falls to Kirkland Lake.

Companies Served

Mining companies being supplied with power by the Hydro in the various northern districts are as follows:

ABITIBI CANYON DEVELOPMENT: Bidgood Kirkland Gold Mines; Central Porcupine Mines; Falconbridge Nickel Co.; Glenora Gold Mines; Kirkland Gold Rand Ltd.; Hallnor Gold Mines; Hollinger Cons. Gold Mines; Young-Davidson and Hislop; International Nickel Co.; Matachewan Consolidated Mines; Moffatt-Hall Mines; Moneta Porcupine Mines; Canada Northern Power Corp.; Omega Gold Mines; Pamour Porcupine Mines; Paymaster Consolidated Mines; Prestone East Dome Mines; Vimy Gold Mines.

SUDBURY DISTRICT: International Nickel Co.; Falconbridge Nickel Co.

ESPANOLA DISTRICT: McMillan Gold Mines.

ST. JOSEPH DISTRICT: Central Patricia Gold Mines; Pickle Crow Gold Mines; Albany River Mines; Winoga Patricia Gold Mines.

THUNDER BAY DISTRICT: Bankfield Gold Mines; Hard Rock Gold Mines; Leitch Gold Mines; Little Long Lac Gold Mines; MacLeod-Cockshutt Gold Mines; Northern Empire Mines Co.; Sand River Gold Mining Co.; Sturgeon River Gold Mines.

RED LAKE DISTRICT: Howey Gold Mines; McKenzie Red Lake Gold Mines; Red Lake Gold Shore Mines; Gold Eagle Gold Mines; Madsen Red Lake Gold Mines; Skookum Gold Mines.

Asbestos Co. Pays Arrears

From Our Own Correspondent

MONTREAL.—Asbestos Corp. will pay regular interest on its general mortgage bonds on Jan. 1 next, together with a lump payment covering all arrears. The distribution will amount to 11%, of which 8% represents accumulated arrears. The dollar outlay involved amounts to around $257,000.

With the Jan. 1 payment, the company will have fulfilled all obligations in respect to the general mortgage bonds, with the exception of the sinking fund. Under the trust deed securing the income bonds, the company must redeem annually, commencing the beginning of 1933, $250,000 of the issue before any dividends can be paid on the common shares. These "sinking fund" arrears will amount to $982,000 at the end of this year.

It is generally understood that before long the company will make arrangements to secure a bank loan for the purpose of redeeming the general mortgage income bonds. If the present rate of income is maintained, this move could be accomplished over the next two or three years without the necessity of borrowing from the banks. On the other hand, there are substantial profits available for distribution on the common stock, but no dividends can be paid until the sinking fund has been brought up to date. It is regarded as likely that in the near future the company will call the bonds.

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Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1935	£115,559,000

A. C. DAVIDSON, General Manager.

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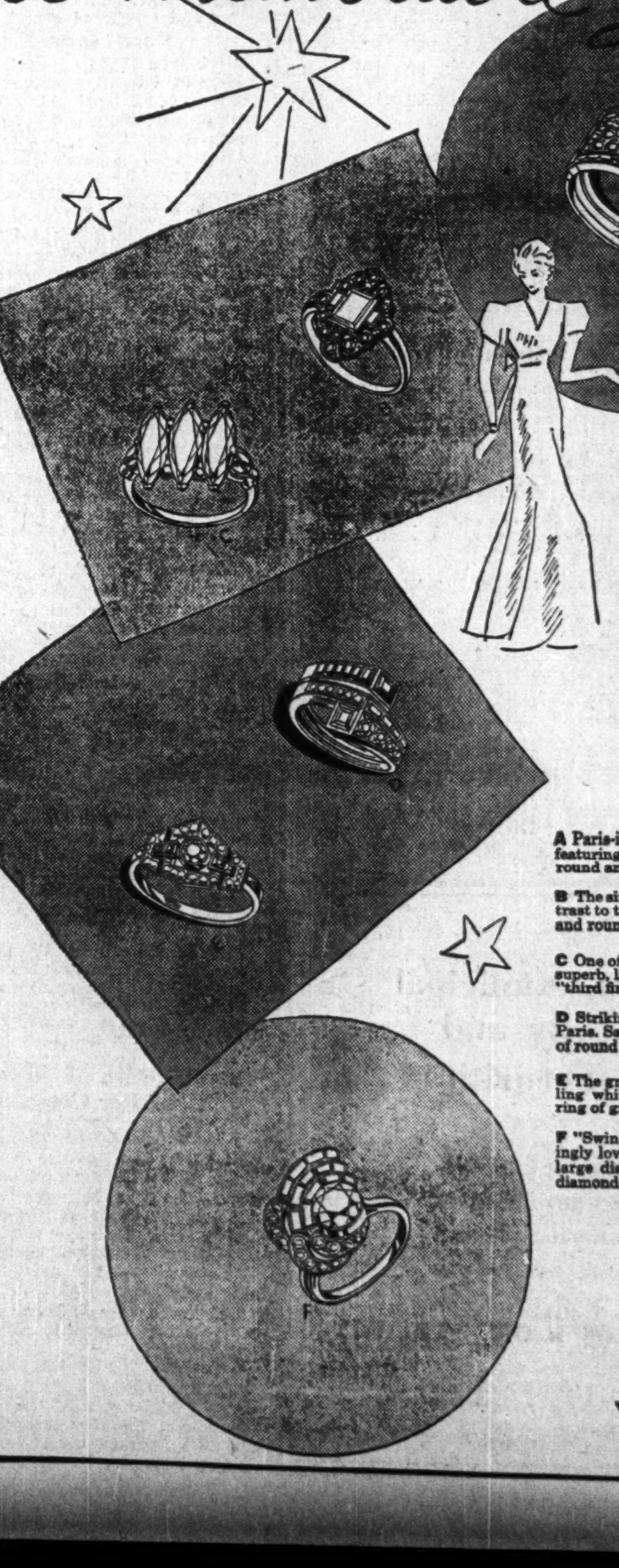
A Memorable Gift



BIRKS-ELLIS-RYRIE are privileged this Christmas to present a superb collection of Diamond Rings—created in the contemporary manner by their own artists and by distinguished Parisian designers. The six examples here illustrated show the modern feeling for movement and "swing".

A Paris-inspired, this new, broad "tube" ring featuring one magnificent diamond with many round and baguette diamonds $765.00

B The simplicity of the square diamond is in contrast to the graceful mounting set with baguettes and round diamonds $350.00

C One of the highlights of our collection—three superb, large-sized marquise diamonds. For the "third finger" or as a dinner ring . $1,800.00

D Strikingly of today, this cocktail ring from Paris. Sapphires give color contrast to the rows of round and baguette diamonds . . . $500.00

E The green tones of the emeralds—the sparkling whiteness of the diamonds—accent a new ring of great beauty $225.00

F "Swing" in its true Parisian form—this amazingly lovely dinner ring, richly set with one large diamond and many round and baguette diamonds $1,125.00

BIRKS ELLIS RYRIE

YONGE AT TEMPERANCE TORONTO

Becoming a Habit

Maritimer George Spinney Appointed Joint General Manager of Bank of Montreal

By JOHN LANGDON

George Wilbur Spinney's appointment as joint general manager of the Bank of Montreal adds another name to the long list of distinguished Bluenosers, or Herring-chokers as they are sometimes called, who have advanced in their chosen career as bankers to the place where to their name is added the short but potent title of "G.M."

There must be something in the sea air that produces such a crop of able bankers. Though the Bank of Montreal is an "Upper Canada" establishment, it has drawn on the Maritimes for more than one general manager. Sir Frederick Williams-Taylor first saw the light of day at Moncton. Jackson Dodds, though London-born, got his start as a junior in the Halifax branch.

G. W. SPINNEY

Other Maritime Men

While the denizens of Place d'Armes may never have heard about it, Morris Wilson, president of a rival institution a few hundred yards away, claims Lunenburg as his home town. The general manager of the same bank, Sidney Dobson, hails from Sydney. Then there is H. F. Patterson, holding a similar position with another chartered bank, who lists Petitcodiac, N.B., as his home town. S. H. Logan is still another who hails from the maritimes.

Again to show that the sea air must have something to do with it, look at all the investment dealers (they were once known as investment bankers) who periodically go back to the Maritimes, ostensibly to fish for salmon but actually to tell the home folks how easy it is to make a living in Upper Canada.

However, this is a sketch of George Wilbur Spinney and not a treatise on the influence of Maritime sea air in the making of bankers and investment dealers.

George Spinney was born in Yarmouth on April 3, 1889. Even without this knowledge, any doubt as to his birthplace would be quickly dispelled by a glance at his office. On all four walls are a large number of pictures of sailing vessels—barques, brigantines, four-masters, and other types. In this way do Maritimers denote their connection with the sea.

While Spinney never went to sea, his father took a turn before the mast. His brother is a sea captain, as also were his mother's four brothers. While the sea called other members of the family, he entered the local branch of the Bank of Montreal when 17 years of age. Later he served in various offices, including those at Edmundston, Quebec, Hamilton and Montreal. Then he was transferred to head office, being appointed assistant to the general manager in 1922 and assistant general manager in 1928, when he took over supervision of the Montreal and foreign branches, as well as the securities department.

Early in his career he came under the notice of the late Sir Vincent Meredith. As a result he secured a more intensive training at head office than ordinarily falls to the lot of a young banker. As his record shows he never served in any of the bank's western branches. Yet he has travelled in all parts of the country, as well as abroad, and thus acquired a sound knowledge of financial and economic conditions of those areas so essential to him in his work.

His forte is in the handling of Government and corporation financing. His experience along these lines has been extensive. There have been few big deals in the last 10 years or more in which he has not sat in as a banker or been asked for his advice.

This training has made him a valuable man to the bank in recent years, when owing to a decline in the demand for commercial loans, it has been necessary to follow a policy of investing in high-grade short-term securities.

Has Banker's Caution

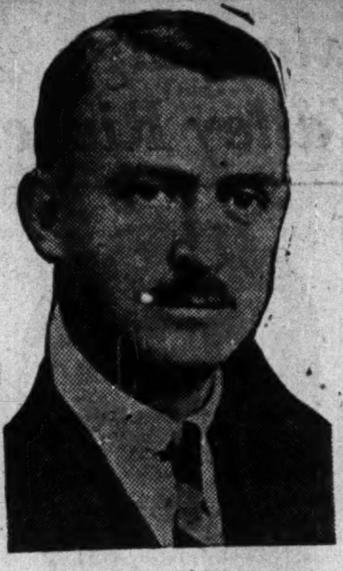
George Spinney has many of the characteristics usually associated with bankers. In appearance he is of medium height, rather heavy set across the shoulders, grey-haired and wears glasses. His manner radiates friendliness, tinged with reserve. His speech is incisive. Seldom is he given to making public utterances. Further he has the banker's aversion to "bursting into print," though he will freely give of his knowledge and opinions when speaking within the four walls of his office.

Associates Praise Him

The commercial world knows little about him, but along St. James and King Streets, he is one of the best known and most popular of the banking men. Those with whom he has had business dealings speak of his broad views, ability, popularity and courage combined with caution. One financial man summed up the opinion of Spinney by saying "he is a good man in a tight spot."

These are the opinions of the people with whom he comes in contact as a banker, and a banker seldom is popular. The high esteem and friendliness with which he is regarded by fellow bankers is well illustrated by the action of the general manager of another bank, who sent the following telegram to him the morning after his appointment was announced:

"Good morning Mr. G.M. Congratulations. You are a great guy."



DR. J. F. WALKER

Fortune Walker

B. C.'s New Mining Head Hates Red Tape—Tweeds, Stamps His Hobby

From Our Own Correspondent

VANCOUVER.—Dr. John Fortune Walker, appointed to succeed the late Robert Dunn as deputy minister of mines in British Columbia, is generally regarded as one of the most aggressive young men the mining service in this province has had for many a year. He is a sworn enemy of red tape, a keen administrator and a thoroughly convinced optimist regarding the mineral possibilities of B. C.

Hon. George S. Pearson, minister of mines and labor and reputed to be the ablest administrator in the Pattullo Government, picked Dr. Walker for the job of overhauling the whole mines department two years ago, and now he has placed Dr. Walker in complete charge of office and field work, for under the new set-up the doctor's office will be a combination of deputy minister and provincial mineralogist. Two men formerly filled these offices, but both Mr. Pearson and Dr. Walker felt that by running the two jobs in one a lot of time and energy would be saved.

Ontario Born

Dr. Walker will be the first man to hold the two offices since the early days of the province, but he is such a hard worker and so quick in arriving at decisions and recommending policies that his colleagues expect he will have no difficulty in keeping up with his busy schedule.

Born in 1893 in Binbrooke, Ont., Walker received his early education at Westmount Academy. He moved to British Columbia when only a youngster and graduated from the University of B. C. in 1922. He entered the graduate school at Princeton where he obtained his Ph.D. two years later. During the summer vacations he worked with the C.P.R. and went with the Geological Survey of Canada to the Windermere district, and he continued with the Survey until 1934 when Mr. Pearson chose him as provincial geologist. He stepped into the job as provincial mineralogist following the resignation of John D. Galloway.

Favors Field Work

As soon as Dr. Walker took office he called in all the field engineers and conferred with them on the needs of their various districts. Then he went about the business of coordinating all the Government's mining services. Since then he has watched the revival of the mining industry in all sections of British Columbia at a rate promising to set an all-time high in production.

"We have a long way to go before we have even a rough estimate of our mineral possibilities," says Dr. Walker. "Virtually no information at all has been collected by experts about the country lying north of the Jasper-Prince Rupert line of the Canadian National Railways, although the Federal Government undertook to do this work 'within a reasonable time' as part of the Confederation agreement in 1871, geological surveys being essentially a Dominion function."

"A Lot of Work"

Dr. Walker has estimated that if eight geological parties were put in the field annually, it would take 75 years to complete the mapping of British Columbia on a four-inch-to-the-mile scale. "And that," he adds, "is a lot of work for a lot of territory."

A zealous student of mining, Dr. Walker keeps well posted on a variety of subjects, talks entertainingly and with considerable authority on international questions, collects postage stamps and favors tweeds and pipe smoking.

Bank of Montreal Names New Assistant Manager

From Our Own Correspondent

MONTREAL. — Appointment of E. A. Fox as assistant to the general manager, is announced by the Bank of Montreal. Mr. Fox began his banking career with the former Merchant's Bank of Canada, being stationed at the Montreal branch and head office for several years. In 1922 when the Bank of Montreal took over the Merchant's Bank, he was promoted to a position in the Superintendent Department at Winnipeg and in 1932 was appointed secretary to the Superintendent of Western branches. His next promotion came in 1928 when he was appointed secretary to the general manager at the Montreal head office.

Burton Honorary Head Of Industrial Board

C. L. Burton has been appointed honorary president of the Toronto Industrial Commission.

For more than six years Mr. Burton was continuously president of the Commission and returns on the nomination of the Board of Trade to fill a vacancy in their representation on the Commission's Board of Directors.

F. C. Brown, Vancouver, vice-president of the Canadian Manufacturers' Association and president of the Canadian Western Cordage Co., was a visitor recently in Edmonton, following a trip to Eastern Canada. He foresees returning prosperity, likely to exceed the 1929 peak, but believes absorption of unskilled labor in industry will tax the resources of both Dominion and provincial authorities.

THE CLEVER ONES
by J. E. Middleton

Morley Buller chose to be a university professor rather than a director of his father's departmental store, known as Bullers' Limited. Others come into story — Philip Buller's secretary, Dr. Paget and his niece and a group of communists. "The whole thing is immensely entertaining."—*Winnipeg Free Press.*

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A Neighborly Mayor

He Is Dr. Fred E. Warriner Recently Named Chief Magistrate of Winnipeg

BY N. B. ZIMMERMAN

An appeal to all electors and not to one section or class has ended the domination of Winnipeg's city council and school board by labor representatives and has ushered to the mayor's chair Dr. Fred E. Warriner—bluff dentist, youthful in outlook despite his white hair. On Jan. 2, Winnipeg will have a rarity for the central city — a Canadian-born mayor.

Until the recent civic election, Dr. Warriner was not much in the public eye. True he was perpetual mayor of Winnipeg Beach, a large summer resort on Lake Winnipeg and chairman of the Winnipeg school board. In politics he was a Conservative. But none of these things gave him prominence like that of Mayor John Queen, Scottish-born standard bearer of the Independent Labor party, or Col. Ralph H. Webb, eight times mayor and chief baiter of "Communists." Incidentally, Col. Webb was born on the Indian Ocean on a ship flying the British flag.

"One Man, One Job" Slogan

Dr. Warriner was elected because he appealed to the voters to rid the civic field of class warfare and to free the mayoralty of men who held other public office. "One man, one job" was his motto. Both Queen and Webb are members of the Manitoba Legislature.

As proof of his sincerity, Dr. Warriner resigned from his post as chairman of the city school board, tendered his resignation as mayor of Winnipeg Beach, and dissolved a profitable partnership in the dental firm with which he has been associated for 20 years.

Now he sets himself to the task of making Winnipeg's city council forget whether it is pro-labor or anti-labor, centring its judgment on what is beneficial to the city as a whole.

Those who know him feel confident he can shatter the spirit that in recent years has crept into the city council's deliberations when every question, it seemed, was made a class issue.

Has Sense of Humor

As a member of the Winnipeg school board and later its chairman, Dr. Warriner showed a facile ability to get along equally well with hard-bitten Communists or hard-shell reactionaries. The quality that did the trick was his sense of humor, against which people who took themselves or their views too seriously were helpless.

No labor aldermen or school trustee can point the finger of scorn at this tall, handsome, genial man and cry "Capitalist," or "Parasite," for Dr. Warriner has been through the mill, has earned his way, ever since he was a student in dentistry at the University of Toronto.

It must be from the Irish among his forebears that he gets his good nature. From his English forefathers comes a sense of adventure. He was born 52 years ago in Stouffville, York County, Ontario. Graduating from Markham high school, he took up dentistry at Toronto University. Into the fraternity house one day came a student who had just arrived from the Continent via cattle boat. After recounting his dire experiences, he challenged young Warriner to journey to England and back without a penny in his pocket. The poung dental student—a lean, wiry lad of 19—made it a wager.

And Warriner went. First by "hobo express" from Toronto to Montreal, and then by cattle boat to England.

Saved by Drum

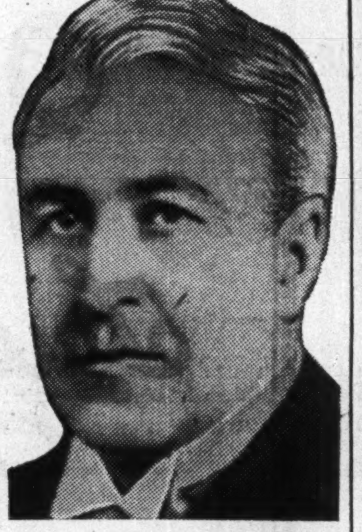
At Liverpool he sold the return fare to Canada they gave him for a ticket to London and pocket money. But not before be escaped the clutches of Liverpool warf rats who smelled a victim. Surrounded by these toughs, Dr. Warriner eluded them by marching in step behind the big drum of a Salvation Army band. Then followed odd jobs on a ship between England and Holland and as an interpreter for a man travelling in France and Germany. He earned his way back to Canada as a cook's helper on a tramp steamer—and won his wager. In 1907 he walked out of Toronto University, a full-fledged dentist. In the same year he became a married man.

Even in the early years when he was establishing his dental practice in the east, he gave free service to tubercular patients in sanitoria at Gravenhurst in the Muskoka lakes. When he came to Winnipeg 23 years ago to settle, he brought the same spirit of public service with him.

In Winnipeg he organized the dental clinics at the Winnipeg General Hospital and the Children's Home, managing the latter for 10 years. He is still on the staff at both institutions. Then 12 years ago he organized a dental clinic in the heart of the city's shopping district. Until two years ago he also managed that.

Works and Plans Hard

When he became mayor of Winnipeg Beach five years ago he took on the job with characteristic thoroughness. During the Bennett régime he obtained public improvement appropriations for the resort. A discarded convalescent home was transformed into an aquatic club. A slough was made into a breakwater for safe public swimming. The resort had never known such advances.



DR. FRED E. WARRINER

He plays just as hard as he works, despite his outward nonchalance and seeming laziness. In his younger days he was a star centre in lacrosse in Ontario and in Winnipeg. Now he tries to keep down his embonpoint through daily sorties at volley ball.

Horse shows around Winnipeg a few years ago always had a Warriner entry in the father and son class, Dr. Warriner riding a huge bay, one of his sons a Shetland pony. They would enter "just for the fun of the thing."

A Family Band

The Warriners go in for family music, with Dr. Warriner at the trumpet, Mrs. Warriner at the piano, a daughter playing the saxophone, and another daughter singing. This musical trend probably dates back to the time when Winnipeg's mayor-elect was captain of the 23rd regiment, Northern Pioneers, down east, He organized and equipped the band. And before that in Toronto he was a member of the Queen's Own Rifles.

When Dr. Stephen Leacock recently visited Winnipeg, he spent some happy moments with Dr. Warriner recalling old landmarks and people in the country immortalized in "Sunshine Sketches of a Little Town." Dr. Warriner was back in the Lake Simcoe country this summer and discovered that he had more relatives than you could shake a stick at.

After 23 years in Winnipeg he is thoroughly western, despite his eastern origin and upbringing. He has the western idea that neighborliness is a desirable quality in a city's administration. He is out to work his darndest for the city's welfare.

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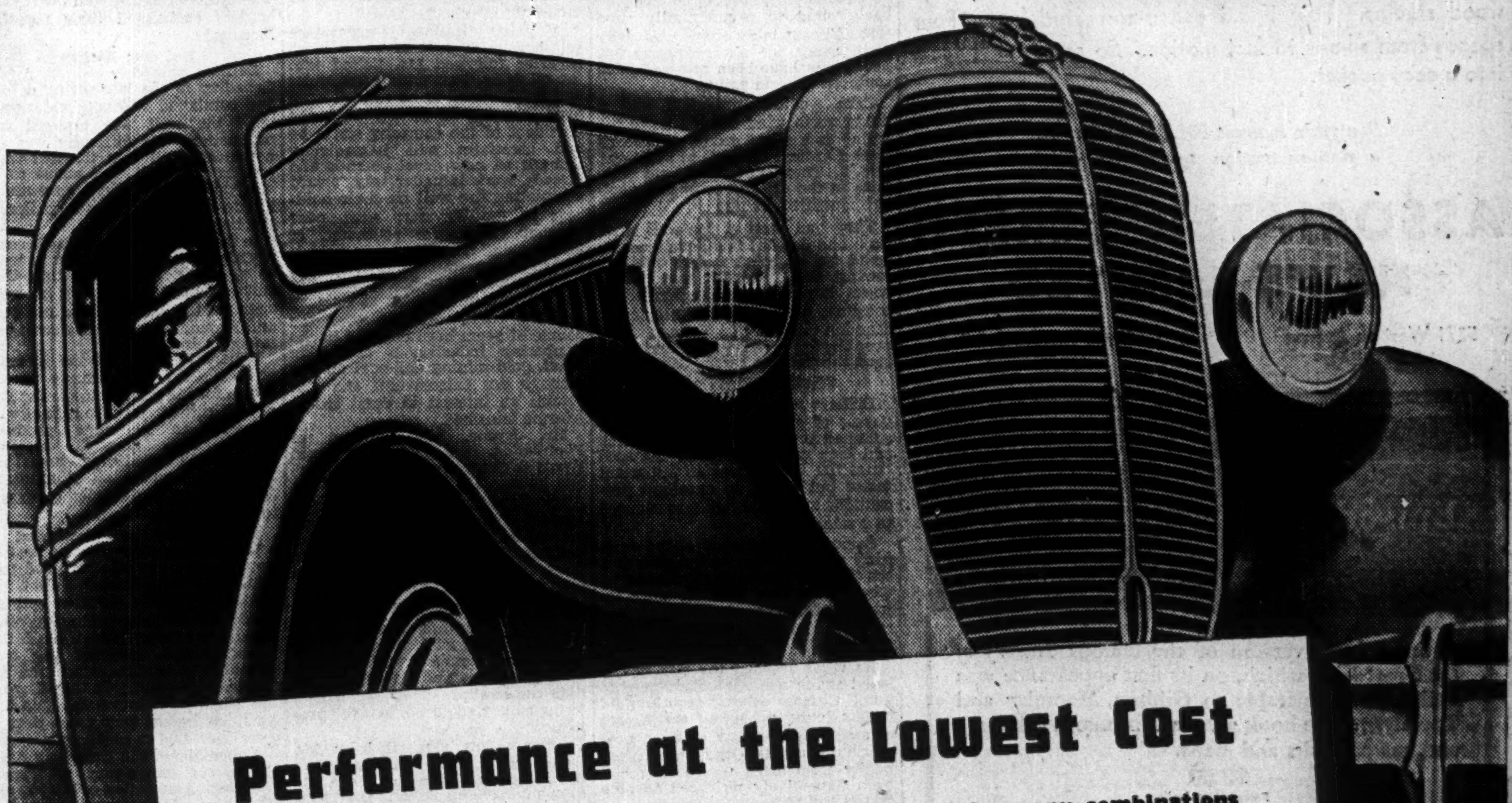

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New Crude Producers Extending Field of Turner Valley Riches

Capital Watches Calgary Exchange as Workers Blow in Wells

MONEY FROM EAST

From Our Own Correspondent

CALGARY.—Encouraged by the fact that three widely separate wells have definitely proved a crude oil field on the southwest fold of the Turner Valley structure, oil operators are planning a development programme which may mean the commencement of 20 or more wells during the next few months.

Various companies have been formed or are in the process of formation to drill on the acreage of Okalta Oils, Limited, and under the agreements with Okalta they are obliged to start operations within three months.

The Anglo-Canadian Development and Holding Company's acreage west of the Foundation well is to be developed immediately by Monarch Royalties, Limited, a new well, and Fay Becker, Calgary oil operator, has organized the Richland Royalty Company to complete the Richfield well, now down 4,400 feet, and drill two other wells in the crude oil area.

With Sterling Pacific well No. 3, about one mile to the north of Turner Valley Royalties, blowing in with an estimated production of better than 500 barrels of crude oil, interest in developments in the Turner Valley has gained in intensity.

The new crude producer lengthens the field about one mile to the north. About a week or so ago, Foundation well blew in, extending the field about one mile to the south of Turner Valley Royalties, the original crude producer in this section.

Geyser Showers Workers

Birth of the million-dollar Foundation baby was as noisy as it was inelegant. Staccato bursts of gas roaring from the well head heralded the arrival. It blew a 30-foot bailer over the crown block atop the 122-foot steel derrick; soaked the night crew with oil and water — while their backs were turned; provided the signal for market activity reminiscent of 1929 and proved what was for years considered waste land on the southwest flank of Turner Valley to be an oil field of tremendous possibility.

Located slightly more than a mile south of Turner Valley Royalties 800-barrel well, the rebut of Foundation provided the momentum for a drilling and exploration programme which oil operators declare will probably extend south to the border and develop thousands of acres. What it may mean to the province and people remains something to be determined, but anyone familiar with the situation when asked such a question blurts "millions."

Capital Flowing in

Drilling supplies, transportation, employment, trucking and piping of oil from the field to Calgary and Valley refineries and a sudden influx of outside capital are just a few of the factors following in the wake of Foundation's production as the background to a potentially sane sort of boom takes shape. Already applications for approximately 100 new leases have been received from southern Alberta points.

Zero weather prevailed and a biting north wind howled down the valley as a silent group of officials waited around the well at midnight. Dec. 2. They expected to see their faith in the drilling crew and geologist justified, or else . . .

They had been at the well since noon and decided few developments could be expected before the following day. Hardly were their backs turned when the banked-up pressure, with a roar like summer thunder, lifted the column high over the top of the derrick and word sped through the camps "She's in."

Minimize Fire Hazard

Drillers were saturated as the geyser of gas, oil, mud and water splashed at the crown of the derrick and then rained on them. At such times fire danger was an important factor but owing to excellent precautions taken the risk was reduced to a minimum.

Some of the officials of the company were warned of the situation, but the most, including the geologist who spotted the location, were informed of their good fortune as they read the morning newspaper at breakfast.

As word reached the city of the latest strike markets commenced to hum. Citizens delving deep into old trunks found mildewed certificates of other years—many of them now worth real money. Others were pried bodily from walls where they had been figuratively plastered to hide cracks and rents in wallpaper.

Loans on Exchange

Foundation stock that day opened at 75—11 over the previous close. It rocketed to 95 on heavy trade and at the noon recess was on the board at 92. Other stocks soared in sympathy and when books closed for the day total trade amounted to 338,687 shares, largest in many months.

Due largely to participation from Toronto and Vancouver, trade on the exchange during the present month will reach boom day dimensions.

Hint of this was seen when the Nov., 1936, turnover totalled 2,621,733 shares, the largest since 1930 when in January of that year 3,205,958 shares moved under conditions painful to remember.

Officers of Foundation Royalties figured from the start they had a good thing. So did Russell V. Johnson, the geologist who located the well, and who has seen his faith in the southwest section of the Valley vindicated to the tune of hundreds of barrels of high-grade crude each day.

Foundation was financed more than 99% by Alberta capital and citizens who secured the original issue at 25 cents benefitted 300% in terms of profit, the day the well came in.

Byrne Praised

The Foundation Company is headed by A. K. Leitch, president, and F. J. Byrne, vice-president. Mr. Leitch, when asked about the history of the enterprise, immediately stated "Byrne is 90% responsible for the success of this." He added that the company had been fortunate to secure an excellent geologist and a drilling crew who knew their business and performed a fine piece of work.

For Mr. Leitch, his venture with Foundation is the first as an oil operator. He has, he says, dabbled in stocks from time to time just as thousands of others.

A wide business experience splashed with success as well as reverses followed Mr. Leitch into the oil game. Past middle age, quiet and not inclined to be excited even over bringing in an oil well, the president of the company states he and associates will immediately embark on new developments, and already work is under way toward completing the well on their holdings in the Weymarn area, near Pincher Creek, far southwest of Foundation. The Weymarn field is still to be proved.

For many years Mr. Leitch has been active in business at Calgary and the coast. He has, over the course of years been engaged in the lumbering industry, a creosoting plant, gold mining and coal mining (though not extensively) and still retains an interest in coast industries he launched.

Mr. Byrne, vice-president of Foundation, is a partner of Gray, Byrne & Company, Calgary brokerage house. He is president of the Anglo-Canadian Holding and Development Company and the man around whom the ups and downs of drilling the latest producer were more numerous than labors of an elevator operator.

He Won't Talk

Mr. Byrne doesn't care to discuss himself or the well to any extent. He is simply sure it will prove to be a good one and Albertans will reap the reward. They put 99.60% of the money required, into the project.

Other points elucidated by Mr. Byrne were that neither Gray, Byrne, as fiscal agents or the Anglo company have disposed of shares for the simple reason they have not been available.

Royalite, according to Mr. Byrne, will take the production of Foundation at prevailing field prices and 77½% will go to shareholders. There are only 22½% overriding Royalties on the well and in event of further drilling on the same lease present shareholders will benefit.

In addition to completing the Weymarn project, on Jan. 2, Firestone Petroleums Ltd. commence drilling on Anglo-Canadian acreage and so does the Snyder-Head Company. On Feb. 15 Prairie Royalties will be under way, also on Anglo-Canadian acreage.

As Mr. Byrne did not care to discuss himself a statement from some of the directors of the company served to clarify the situation in the same gesture relating a story covering several years to ultimate realization. Here is what they had to say:

"The present strike in the well of Foundation Petroleums has revived interest in the oil industry in Alberta to an extent not experienced since the original strike of Royalite Number 4.

"The success of the Foundation well can be attributed almost wholly to the foresight energy and determination of Mr. F. P. Byrne, who promoted and sponsored the Foundation Company from 1934—a time when south Turner Valley was considered purely a wildcat proposition."

Ross Persuaded Move

Mr. Byrne acquired the lease on which the well has been drilled in the name of North West Royalties Limited, thanks mainly to the persuasion of C. C. Ross, who, some years later, was to become minister of lands and mines in the Alberta Government.

The company sought to finance its drilling by the sale of royalties, but the public were apathetic; then the drilling contractor got into financial difficulties. Byrne then organized the Anglo-Canadian to advance money for required equipment and take over the drilling contract. Drilling continued for several months when finances again became depleted.

Another Reorganization

At the beginning of 1936, Byrne conceived the idea of completely reorganizing the company by abandoning the sale of royalties in favor of financing by the sale of shares, but giving the shareholders the same protection as afforded to the royalty holders.

Foundation Petroleums Ltd. was accordingly incorporated taking over assets of the North West Royalties in exchange for shares and these shares were offered the public.

The great innovation was that instead of leaving the profits of the company to be disposed of by directors as had always been the previous custom with Alberta oil companies, the whole future production of the well was assigned to a trustee for future distribution among shareholders. In addition, shareholders were acquiring something which could be disposed of in the open market much more readily than royalties.

The idea apparently caught on because without very much difficulty the company was able to raise sufficient money to complete the well. In addition practically all the royalty holders exchanged their royalties for shares.

But One Mishap

Drilling was resumed by Anglo-Canadian in the late spring of 1936 and continued without interruption until the well was brought into production. No difficulty was experienced until near the last when just as the well was about to be brought in, the drillers were unfortunate enough to lose a bailer in the hole.

In the summer Leitch was brought to Calgary from Vancouver as managing director of the Anglo-Canadian Company and under his management the affairs of the company and Foundation Company have progressed admirably.

"There is no doubt the industry owes a debt of gratitude to Mr. Byrne for his persistence in the face of difficulties, resulting finally in bringing in a crude producer which has greatly extended the known producing area and altered the whole oil situation in Alberta," was one opinion expressed to The Financial Post.

Geologist's Faith Rewarded

When time comes to write the history of Alberta's oil fields and particularly that of Turner Valley, the name of Russell V. Johnson will undoubtedly occupy a prominent place in the recordings. He is a consulting geologist and probably the only one of a miniature army who did not desert the valley in 1929-30 when the world went into a tail spin and far fields looked very green even to eyes interested in black, gummy oil.

A member of the American Association of Petroleum Geologists, American Association of Mining and Metallurgical Engineers, Canadian Institute of Mining and Metallurgy, a professional engineer of Alberta and British Columbia and a member of the Alberta Society of Petroleum Geologists, Mr. Johnson never for a moment lost faith in Turner Valley. The west and southwest flank has been and is his pet.

While other operators were sceptical of the west flank, Mr. Johnson kept studying the field and then went to work. His early belief led to the drilling of Merland and Foundation, both big wells, and he is justly proud of his record of approximately a dozen wells and not a single duster. Merland, Hylo, Director, Mar Jon 2, British Dominion 4 and now Foundation are a few of his discoveries. All the wells are not sensational but all have struck production.

Long Way From "Doodle Bug"

A modest, thoughtful person R. V. J. is at his best when discussing oil and geology from aniclines, sinclines to wildcat wells and drilling equipment.

He admits the industry has moved from days of the "doodle bug" and divining rods have been replaced by approved scientific methods which he believes should be followed in all departments in the continuous search for the hidden storehouse of petroleum. There always is, he will admit, the element of chance, but this has been narrowed considerably since the old hit and miss days.

Mr. Johnson, while he toyed with drafting tools, managed to find time to give a few observations on Foundation.

The only mishap in the drilling he explained, was when a bailer, used to clean mud from the well in rotary drilling, dropped to the bottom. This misfortune came but two hours before the well was expected to blow in as a producer. The break caused a two weeks delay.

Selection of the well was based mainly on a study of sub-surface geology, but even the most careful observations could not eliminate a certain element of luck though reducing it to the minimum.

The critical moment for the geologist—and everyone else concerned—was selection and marking out of the 16-inch hole, in a quarter section of land, where yards to either side might mean—nothing.

"Here's the Spot"

Following careful study of his charts and data Mr. Johnson walked on to location one day. He stuck the heel of his boot into the soil.

"We'll drill here," he said.

It was the start of Foundation.

During the tense hours of bailing when the flow of oil was expected to break through at any moment company officials held sessions of bridge. And play, according to R. V. J. was really excellent.

"Proving of Foundation with Turner Valley Royalties already in production opens up a large acreage north, south and west with promise of a period of intensive development," says Mr. Johnson. "The logs give much new information of structural conditions and not only change the picture of conditions previously held but change a previously condemned wide area into a section of great potential possibilities, the extent of which is not yet known."

Money, too, is arriving from all parts of Canada and the United States and during the brief period of conversation with the geologist he received telephone calls from Winnipeg, Toronto, Vancouver and the United States.

IN TURNER VALLEY OIL, GAS FIELD

At the left is F. P. Byrne, of Calgary, the man financially responsible for continuing the development of the Turner Valley crude oil field through the Foundation well.

At the right is Russell V. Johnson, consulting geologist, who decided the spot where the well was drilled.

BAKER AGENCY APPOINTMENTS

HUBERT S. BAXTER,

Who has joined The Baker Advertising Agency Limited in a creative capacity. Mr. Baxter has had the unusual experience of serving with English and American, as well as Canadian advertising agencies. He was an original Associate of the Institute of Incorporated Practitioners in Advertising of Great Britain and has been on the creative side of advertising for eighteen years. He is also well known for his active work among disabled veterans.

R. D. ALBERTINI,

Who assumes the direction of a special financial department created by The Baker Advertising Agency Limited to provide complete advertising and publicity service for financial, industrial and mining organizations. This new department has been necessitated by the rapidly growing number of financial accounts recently added to the widely varied regular business of this agency. Mr. Albertini has been associated with the agency for twelve years.

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SECOND SECTION

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Western Debt Shunned At Ottawa Conference

Dunning Turns Deaf Ear to Proposals for Surrender of Taxation — Royal Commission Likely

By STAFF WRITER

OTTAWA. — While considerable progress was made on matters of minor importance the meeting of the National Finance Committee here which developed into a rather pretentious gathering of provincial and federal ministers and their advisers, left untouched the major public finance problems confronting Canada at the present time.

Although Hon. C. A. Dunning, federal minister of finance, feels that the conference was a success and that it accomplished what it set out to do, many of the delegates, especially those from the Western Provinces, are admittedly disappointed with the results.

Representatives of the Manitoba and Saskatchewan Governments came to the conference with the hope that some solution would be found for their budget problems. Although the problem of refunding of western provincial debts was not on the agenda they expected that the problem would be discussed. If refunding was not feasible they were hopeful that some other means of assistance would be granted, either in the way of additional taxation powers or in larger grants for relief purposes.

Refunding Issue Shunned

In this regard they were disappointed. Not only was the question of refunding entirely shunned by the conference, but the Dominion turned a deaf ear toward any proposal that it should surrender any of its taxation powers or that it should take on additional expenditures.

From the point of view of the federal authorities the most disappointing aspect of the conference was that some of the conferees again came looking for a hand-out. In some quarters there is considerable criticism of the request made by the Ontario Government that the Dominion assume the entire cost of old age pensions and at the same time surrender the personal income tax field to the provinces. It is felt that Ontario had no grounds for such a request since its budget position is the best of any province and is materially better than that of the Dominion itself. This, however, is not true of Saskatchewan and Manitoba, both of which are faced with serious budget problems.

No Concessions

Mr. Dunning, however, resisted all attempts to gain concessions from the Dominion. He pointed out that during the past seven years the Federal Government had had huge deficits and that the deficit would run about $100 millions again this year. In order to maintain the Dominion's high credit standing these deficits would have to be eliminated. Assumption of additional expenditures while surrendering sources of revenue would only increase the problem of the Federal Government.

It was partly because of the failure of the conference to get down to fundamentals, as far as the problems of the West are concerned, that Premier John Bracken of Manitoba suggested the appointment of a Royal Commission to investigate the economic and financial basis of Confederation. Mr. Bracken secured strong support from the representatives of the other Western provinces.

B.N.A. Act Review

In urging the appointment of the Commission, Mr. Bracken took the stand that unemployment relief should be a Dominion responsibility. He emphasized that the developments of recent years, especially the increasing activities of governments in the field of social welfare, makes it necessary to review the allocation by the B.N.A. Act of the sources of revenue and governmental responsibilities to the Dominion and the provinces.

The feeling in informed circles is that the Dominion will implement this recommendation for a Royal Commission. It is said that such action had previously been considered by federal authorities.

Old Age Pensions

As regards the request that the Dominion should assume the entire cost of old age pensions, Mr. Dunning took the stand that the provinces had initiated the legislation and should, therefore, share part of the cost.

Premier Maurice Duplessis of Quebec startled the conference with a request that the Dominion refund to Quebec the sum of $16 millions, which, he claimed, was the amount contributed by Quebec through federal taxes toward old age pension payments by the Dominion prior to the scheme being put in force in that province this year. While admitting that the province had no legal claim, he stated that the province had a claim in equity.

There is no prospect that the Dominion will accede to the request, The Financial Post is informed. If it were to be granted the way would be open to similar requests from other provinces that did not take advantage of the scheme from the beginning.

To Abrogate Gold Clause

A unanimous recommendation was made by the conference, and it was assured that such action would be taken, that the Federal Government should introduce legislation abrogating the gold clause in bonds of all Canadian debtors.

This action grew out of discussion of the probable effect on Canadian debtors of the recent decision of the British Court of Appeals which upheld the gold clause in British Government bonds payable in New York.

Bank of Canada

Considerable time was spent by the conference discussing the functions of the Bank of Canada, and the services that can be rendered by the central bank to the provinces. It was agreed that steps should be taken to secure greater interchange of information between the Bank of Canada and the provinces on the trend of interest rates and types and timing of loans. The resultant coordination of public financing will be beneficial to both governments and investors. It will enable governments to obtain the best possible price for their bonds and to carry out their financing with the least possible disturbance to the market.

The problem of bringing uniformity among governments in presenting public accounts was brought up by Dominion delegates. At the present time the fiscal years of only three provinces, Ontario, Alberta and British Columbia, coincide with that of the Dominion. The other provinces indicated a willingness to change their fiscal years, and it is probable that action along this line will be taken at the next sessions of the respective legislatures.

Taxation Issues

The last day of the session was devoted primarily to a discussion of taxation problems with a view to determining the extent to which and the methods by which administrative co-operation could be worked out in order to lessen the evils of multiple taxation. In particular, attention was devoted to reducing cost of collection and inconvenience to taxpayers.

The success of the Ontario-Dominion experiment in unified administration of the personal income tax was stressed and the possibility of extending the scheme to other provinces considered. Federal officials expressed the opinion that there was no formidable obstacle to its extension. Individual provinces which are interested are to discuss the matter further with the Dominion Government. Manitoba is one of the provinces contemplating such action. In some quarters it is felt that similar co-operation might be worked out in regard to the corporation income tax.

Corporation Tax

A plan was presented to the conference whereby greater simplicity and uniformity could be secured in corporation taxes. Complete unanimity did not exist on this question and it was agreed that each government should name an official to a committee which would consider the practicability of the proposal in the light of the particular conditions and requirements of each province.

Delegates from Ontario raised the question of overlapping services in the field of agriculture, health, labor, etc. It was agreed that all governments should press the departments concerned to consider what steps are practicable to reduce any overlapping and unnecessary cost.

Up 2,200%

Canadian Locomotive Common Rises From $1 to $23

That mining shares are not the only sensational performers has been demonstrated by the recent action of Canadian Locomotive common.

A 20-share transaction was made at $1 a share on Sept. 3 last, and 5 shares sold at $1½ on Sept. 23. On Dec. 12 the stock touched $23 a share, an advance of no less than 2,200% since September.

From about $4 to $8 in the months of November and December, the shares appeared to be under accumulation. With recent volume of over 2,000 shares a day, the market appears more distributive in character.

Results for 1936

This year the company made seven locomotives, whereas its capacity is over 100 annually. The 1936 business represents an increase, but it is understood that any operating earnings could be written off entirely to depreciation without leaving income applicable to interest on the income bonds. This appears to indicate that the rise of the shares is based on expectations.

Analysis of the balance sheet shows a nominal book equity of $18.75 a share for the common, but there have been no net earnings shown since 1930.

The capital consists of $1,044,800 of income bonds, on which interest is not being paid, and 39,896 common shares. Before the reorganization in 1932 there was $3.5 millions of preferred and common stock outstanding in addition to the bonds.

General Motors On 5-Day Week

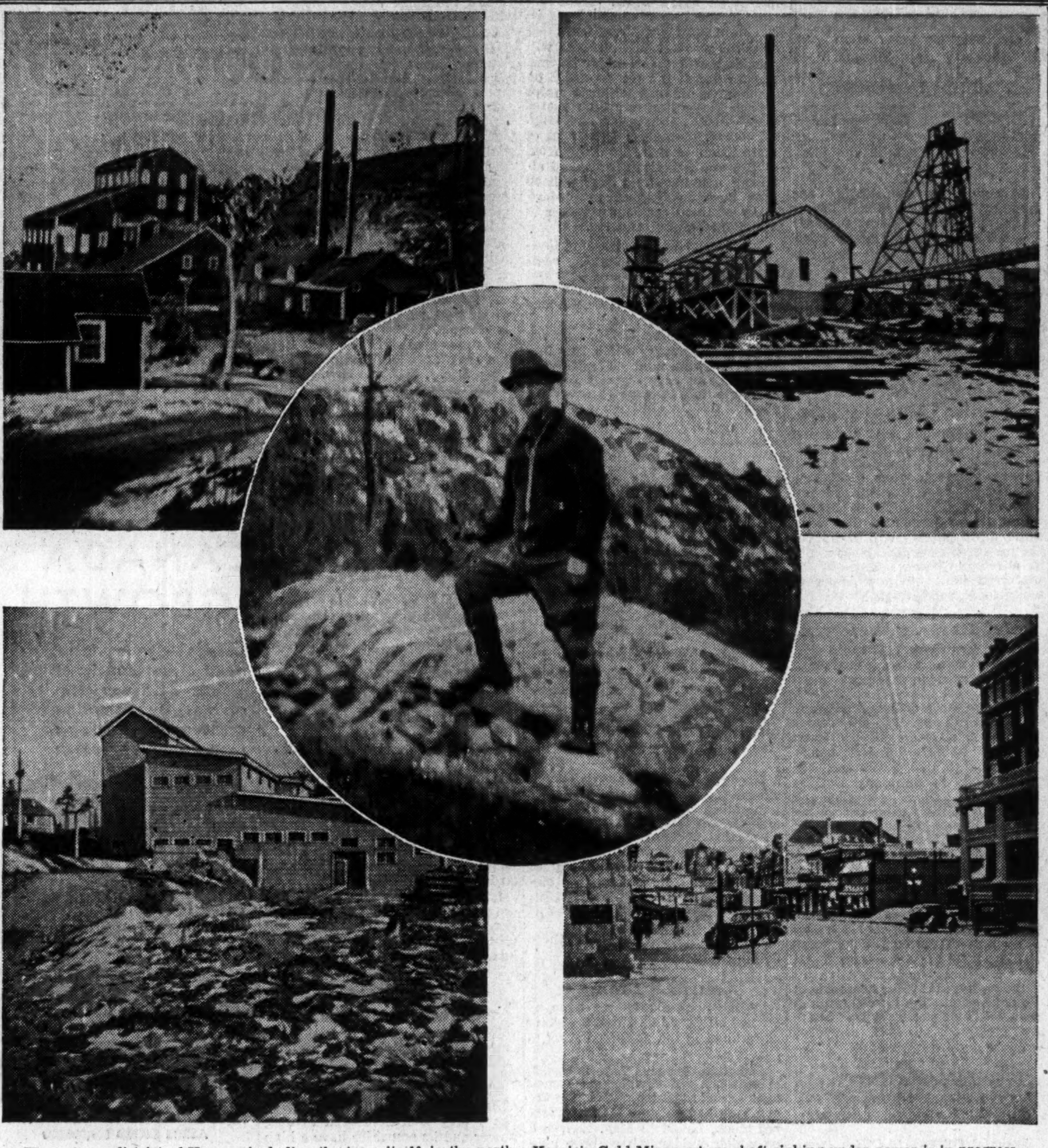
Commencing this week the plants of General Motors of Canada at Oshawa will operate on a five-day week basis according to Harry Carmichael, vice-president and general manager. The regular working shift will be nine hours. Aim of the company is to stagger employment over a longer period and it is expected that production will continue on this basis until the latter part of next summer. Increased sales, particularly in the export market are responsible for the company's optimism.

Production schedule at Oshawa for December is over 10,000 units, the largest of any one month in the company's history, says R. S. McLaughlin, president of the company.

Letters Patent

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been taken out by Regent Knitting Mills covering the capital charges recently approved by the shareholders. Under on the books at over $1.8 million was reduced to $780,108. The difference is unrepresented by available assets. the plan the share capital, carried



The veteran district of Kenora, including the town itself, in the northwest section of Ontario, is feeling again the thrill of activity which accompanies a vigorous mining boomlet.

Above the camera has caught some of the new spirit which pervades the area. Top left shows the mill building and power house at Kenland Gold Mines. These same buildings, early in the century, are reported to have witnessed the production of $500,000 as the Horseshoe Mines. Some of the old machinery is still being used.

Top right shows the new plant at the Joseph Errington sponsored Kenricia Gold Mines, where shaft sinking under power is in progress.

Bottom left shows the mill building at Wendigo Gold Mines.

Bottom right is a view of the main street of Kenora. This town has profited immeasurably by the renewed activity in the district. So intense is this activity that The Financial Post correspondent reports that even the town garbage dump has been staked. Centre photo shows Finlay McCallum, discoverer of "the dump vein," standing beside it, with the dump in the background. Joseph Errington is financing the development of this venture. McCallum may be in the dump, but he is certainly not in the dumps.

Kenora Returns to Life

Mining Exploration Invades Town Limits as Stage Is Prepared for 1937 Push — Claim Staked on Municipal Garbage Dump

From Our Own Correspondent

KENORA.—This town, for nearly 30 years a ghost of former mining booms, has come to life.

Prospectors are crowding the streets, stores are featuring miners' clothes and equipment, mining deals are again being made in hotel rooms, beer parlors and alleyways and such names as Thayer Lindsley, Joseph Errington, John Shaw are becoming household words. The town has become an important air base while the ring of the prospector's hammer and the roar of dynamite blasts are being heard as mining exploration invades the limits of the town itself.

1,400 Claims Registered

Revival of interest in the pioneer Lake of the Woods camp started about three years ago after the price of gold went up to $35. This interest has grown with intense rapidity and, with two mines in production the stage is set for the "big push" in 1937. This year has been a significant one with such names as Joseph Errington, Coniagas and Gilbert Labine showing their confidence that Lake of the Woods "has the stuff." Activity in the prospecting fields has grown to fever heat and to date 1,400 claims have been registered against 933 for the entire 12 months of 1935, the previous record year.

New Production Level

During the early days, Lake of the Woods is credited with roughly $2 millions in gold production while, since the new interest became manifest, four mines have already contributed nearly $400,000 to the modern total. In 1935 two properties, Duport and Kenora Prospectors yielded $97,000 while the figure for 1936 will be approximately $300,000 from four mines, the Duport and Kenora Prospectors and the two regular producers, Wendigo and Kenland. The highest will be Wendigo with approximately $120,000.

Interest of Joseph Errington in Lake of the Woods possibilities appears to grow greater from week to week and now the Little Long Lac chief is interested in four properties in this area, one of which has been the cause of a staking rush of some importance developing during the past week.

The rush is taking place at Rowan Lake, 48 miles as a plane flies southeast of Kenora. Here about two months ago a party of Errington prospectors discovered a vein of important possibilities and since that time 40 claims have been staked. News of the strike leaked out last week when the prospectors' "gossip circle" sent the information across the Dominion, so now such men as Karl Springer are on the job to stake adjacently on the snow. Four loads of prospectors were flown in one day.

Next spring they will go back and look over their claims, but Errington already has a vein to work on and took a crew of 15 men out to temporary camps which were set up overnight last week-end to strip and trench the vein. After that sampling will be done and before the winter snows get their deepest, diamond drilling may be in progress. Bill Errington told The Financial Post that the find is promising but whether or not it stands up is yet to be determined.

The best possibility for new producers is controlled by Errington who anticipates building a 100-ton mill on the Kenricia Gold Mines property 10 miles west of here. At this property the shaft was down 150 ft. on Dec. 10, and the first station at 200 ft. is expected to be cut any time after Dec. 29.

Mr. Errington is interested in other groups and on one of these he is at present carrying out surface exploration. This property is located at the town garbage dump. The main vein runs along the base of the dump, in the town limits.

Diamond drilling is scheduled to start before this is in print. C. W. Greenland, Errington's consulting engineer, was just completing sampling at time of writing while the diamond drill had been ordered and will be set up in a few days.

The option runs out at the end of the year and enough drilling will be done to test possibilities during December.

A crew will be put to work shortly on claims owned by Percy Williams, Kenora hardware merchant at Pine Portage. Surface showings will be opened up so that sampling can be done and, if results are satisfactory, Errington is to proceed with extensive exploration.

New Mill Expected

Duport Mining Company is regarded as certain to install a mill some time. The company has been planning to build in the past two years but has never done so although ore reserves have been increasing in a satisfactory manner. The development has been financed by the shipment of $150 ore to Flin Flon and Tacoma. Latest announcement of the company is that the shaft will be deepened during the winter after which a 200-ton mill will be built.

Mines Development, sponsored by Siscoe Gold Mines and others, reported this week that the first results from sampling underground workings of the old Scramble mine were satisfactory and, if these results continue, the property will be developed into production as quickly as possible.

Two interesting possibilities for large-scale production are the Coniagas nickel property and the Brae Breest gold prospect. Coniagas has acquired almost complete control of the claims on which Finlay McCallum discovered nickel last spring. This showing has been indicated for 2,000 feet with width of 300 and values 2% to 5% nickel, gold, copper and a trace of chromium. McCallum told The Financial Post this week that 25,000 feet of diamond drilling will be started early in December. Brae Breest has completed 2,700 feet of drilling on an 800-foot wide porphyry mass which carries values consistently across the entire width and length of 1,500 feet. So encouraging was the shallow drilling that a programme of 5,000 feet deep drilling is now in progress. Camps for winter are being built.

Group Developments

Franklin Gold Mining Co. is doing underground work on the old Champion mine. Oliver Severn Mines has completed work on three groups of claims during the summer and will go back in the spring to two of them as a result of encouragement from this season's exploration. Diamond drilling and underground work is proceeding at the old Olympia mine. Kenecho Gold Mines plans to start diamond drilling on the old Standard mine within a few weeks. Diamond drilling programmes are planned for this winter at Clearwater Bay Mining Syndicate and Clearwater Bay Syndicate. Duport Extension has done some drilling and plans more. Gilbert Labine financed some drilling on claims in Pine Portage Bay and is reported to have been satisfied so that further work is contemplated.

At least a dozen other companies which did work during the summer are planning to resume in the spring and some of them may even start during the winter months. Some of these include Reed Lake Mines (on the old Reliance and Gold Panner), Lakeport (on old Montecristo and Victor mines), Neda, Lake Hill, Blackburn Pattison, Velma, Muton Long Lac, Gold Creek Mines, and Blue Star Mines.

They're Serious Now

The Financial Post visited the Kenricia, Kenland, Brae Breest, Scramble, Wendigo, and Garbage dump claims, during the past few weeks and is convinced that, although there is not so much money "floating" around as in the boom days of 40 years ago, more serious attention is being paid to making mines than ever before, while more of the funds are being spent at the mine instead of in the bars. Real mining efforts were being made in each case and, with new developments almost daily in favor of expansion of Lake of the Woods mining, 1937 will undoubtedly be as active here as in almost any Canadian camp.

Life Underwriters Offered "Pot of Gold" For Efforts

An unusual tie-up for life insurance, described as "a golden opportunity," was announced recently by Montreal Life, whereby all representatives of the company may take advantage of the offer of President Arthur P. Earle to obtain options on shares of Slave Lake Gold Mines Ltd. The offer is to all agents producing a minimum of $10,000 of paid business between Nov. 1 and Dec. 31.

The options are one share for each $1,000 of paid life insurance with a maximum of 50 shares to any one agent. The option is given to buy shares at $1.25 each and will hold good till Dec. 31.

Describing this novel plan, the company's agency bulletin states:

"You take no risk whatever. If the stock goes up in price, you exercise your option and reap the profit. If the stock does not advance, you do not buy.

"Paid business only will count, but you are given to April 30, 1937, to collect at least one-half of the year's premium. If that much is paid, it will be counted as paid business.

"What are the prospects of making money out of these options? Slave Lake Gold Mines Ltd. owns a large property on Outpost Island in Great Slave Lake. This property is being developed aggressively by one of Canada's most powerful mining organizations, commanding the best of geological, engineering and operating abilities. Work done to date indicates the existence of a very rich and extensive gold deposit. A complete mining plant was installed this summer, and shaft sinking is in progress. Ore has been shipped out to determine the best metallurgical processes, so that a mill may be designed this winter and erected next summer.

"Of course there are hazards to any mining operation; that is what makes it so interesting and alluring.

"Taking a flier in the market seems to have an appeal to almost everybody. Under Mr. Earle's offer you can take a flier without any risk of loss to yourself and with the possibilities of substantial profits."

Ottawa Stage Ready For Copyright Battle

Appeal Board Hearing on Question of Fees Ends Truce Between Entertainers and Performing Rights Society

By STAFF WRITER

OTTAWA.—A truce automatically brought into force with the passage of the 1936 Copyright Act amendment last June ends here this week when the battle waged around the Canadian Performing Rights Society and its license fees will be renewed before the Copyright Appeal tribunal.

Radio stations, restaurants, hotel owners, theatres, the city of Toronto, the Canadian National Exhibition and various bands and orchestras will all be represented in the army of legal talent on hand. Protests range from specific objections on the announced schedule of charges to the least tangible field of exemptions.

The hearing, before Hon. A. K. Maclean, of the Exchequer Court (chairman), E. K. Coleman, under secretary of state and Paul Fontaine of the department of justice, will, it is hoped, clear up the immediate issues of tariffs and exemptions.

Underlying Opposition

The underlying objection to the workings of the society in Canada, however, is not likely to be touched. Legally justified both by the courts and by the findings of the Parker Royal Commission of 1935, the society has run against strong opposition to the principle of collection of copyright fees for music played in Canada which benefits almost entirely composers and publishers of foreign countries.

The Canadian Performing Rights Society has no Canadian membership. Under the presidency of Henry T. Jamieson, Toronto chartered accountant, it acts only as a collection agency for the British Performing Rights Society and the American Society of Composers, Authors and Publishers. These two organizations own 50% interests in the Canadian society and revenues divided on this basis are passed over periodically after the deduction of local expenses.

Canadian composers, of which there are more than 200, must become members either of the British Society or A.S.C.A.P. to benefit from copyright fees in the Dominion and it is contended by the chief opposition group, the Musical Protective Society of Canada, that these societies are none too keen to admit Canadians. Actually only a few Canadian composers and publishers hold membership.

Collect Quarter Million

Under the new schedule of copyright fees which will come into effect at the beginning of the year, after revision by the appeal tribunal, it is estimated that the Canadian Performing Rights Society will collect $250,000 in Canada.

Radio stations under the proposed tariff will pay $70,000 and theatres assessed on a seating basis, $61,402. The balance, $118,598, will be made up by hotels using radios in their rooms, hotel orchestras, restaurants, concert halls, skating rinks, bands and individual performances for which licenses must be obtained.

Of this money, to quote the Parker findings, not a single dollar is paid directly to Canadians by the society.

The Canadian Performing Rights Society Ltd. has had an active and sometimes unpopular career of 11 years. During this time it has been levying and collecting tariffs for the performance of copyright works, sometimes easily, more often under protest and pressure of court action.

Berne Convention

Like its parents, the British Society and A.S.C.A.P., it obtains its right to live from the Berne Copyright Convention of which Canada is a member. This, in itself, has proved a bone of contention. When organizations protested against what they believed to be arbitrary methods, the Canadian society, or rather its two parents, have pointed to the Berne convention.

"What can we do?" they have asked. "If concessions are granted in Canada we will have to grant the same concessions to some 40 countries who are also members of the convention."

It was chiefly to combat this argument that Col. John A. Cooper, president of the Motion Picture Distributors and Exhibitors Association of Canada, conceived the idea of an organization of music users and out of his idea has grown the Musical Protective Society. Through this, Col. Cooper has worked at Ottawa and worked internationally with the result that similar organizations have grown up in other countries, while in Canada he has achieved two major amendments to the Copyright Act.

Upheld by Courts

The Canadian Performing Rights Society, on the other hand, has been gradually, through the courts, establishing its rights to levy tariffs. In 1934 it won an award against the Canadian National Exhibition for the playing of a popular song by a band. In January of the next year it won a superior court ruling against the Ford Hotel Company, of Montreal, in which the judge found that "transmission through loudspeaker in a hotel room of copyright music is infringement." This judgment has been appealed and, under a suspension of all litigation, agreed to last year, the case is still pending.

An amendment to the Copyright Act obtained through the efforts of Col. Cooper in 1931 required the society to file its schedule of fees with the Secretary of State and gave the minister power to order an enquiry if occasion arose.

In March of last year a new schedule was filed which doubled all levies with the exception of those charged for radio broadcasts. A wave of protest followed this action and Judge James Parker of the York county court was appointed to investigate the society.

Toronto Enquiry

This investigation opened at Toronto in April. The commissioner sat for 36 days. Charges of abuse were hurled at the society, and the word "racket" was heard in the evidence. It was claimed, among other things, that the society had almost silenced the music of town bands at agricultural fairs through its fees. Officers of the British and American societies joined with local men in replying to these charges.

The upshot of the enquiry, contained in Judge Parker's report, was the justification of the society both legally and as a necessary cog in the social machine. Certain practices were criticized, particularly the arbitrary methods in levying tariffs.

The findings were implemented in the 1936 amendment to the Copyright Act which, by providing that schedules of fees must be filed with the minister annually on or before Nov. 1 and by setting up the appeal tribunal to hear appeals before Jan. 1, closed the avenue to any arbitrary abuse.

Protests Filed

Under this act the Performing Rights Society filed its fees and in due course these were published in the Canadian Gazette. The Musical Protective Association has now filed its official protest which covers virtually the whole field of the new schedule. One of the chief protests is against the provision preceding the schedule that fees shall be increased 25% if not paid in advance.

The Canadian National Exhibition holds that the 1936 Act gives it full exemption from any fees, but has filed an objection to the fees set as "excessive and exorbitant."

The Hotel Association objects to the fees of $10 to be levied on small hotels with radios in their lobbies and declares the whole schedule for hotels unscientific. To back this protest certain Toronto hotels, it is understood, have cut off all broadcasting of music in lobbies and rooms.

The city of Toronto joins in the protest in regard to licenses to be paid for public parks and quotes the Parker findings to the effect that these performances should be exempt.

The theatre owners, while in general agreement on the rates to be charged, strongly object to the provision for an increase on fees not paid in advance.

Loss of Seat Another Slap For Aberhart

Social Crediters Fail to Capture By-election From Liberals

From Our Own Correspondent

EDMONTON. — Defeat of the Social Credit party's campaign to capture Grouard constituency, on a straight fight with the Liberal party, confirms other signs of the wane of the Aberhart movement.

Grouard, made vacant through the death of L. A. Giroux, only Liberal member to win a rural seat in Alberta in the Social Credit landslide of 1935, offered the second by-election test since the general election. In the first, in Edmonton where a vacancy occurred when Mr. Justice W. R. Howson, former Liberal leader, was appointed to the bench, the Social Credit party stayed out of the campaign, though the candidature of Miss Margaret Crang, who was defeated, had been regarded as a bid for Social Credit votes.

Ideal Testing Ground

The winner in Grouard, J. R. Tremblay, had a majority of less than 200 votes, compared with 825 by which the Liberals won the seat in 1935. However, votes polled numbered 500 fewer this time.

In some respects Grouard was an ideal testing ground for Aberhart doctrines of free dividends and loans, it being a scattered northern riding, whose inhabitants might be considered attracted to $25 a month. The Aberhart Government made a determined effort to capture the seat, and Messrs. Maynard and Fallow, Aberhart ministers, took part. The Liberals, also, threw a heavy force of campaigners into the by-election. Political reverses of the Aberhart movement now include failures in the municipal elections of Calgary and Edmonton, the collapse of an Aberhart party organization in British Columbia, the defection of three Social Credit aldermen in Calgary, and the defection of two Social Credit members of the legislature.

Abandon Recall Plan

Social Crediters of Taber constituency, whose member, James Hansen, has been repudiated by the party, have changed their minds about attempting recall proceedings, which would require signatures to a petition of 67% of the electors.

Furthermore, Hans E. Wight, Social Credit member for Lethbridge, who announced he would run for city council in Lethbridge, withdrew just before nomination, giving the excuse he was too busy.

While the prospects of opposition in the Social Credit party to Mr. Aberhart's rule and conduct of the party's programme at the coming legislative session in February, are a subject of discussion, the break may easily come at the provincial convention of the Social Credit party in January, on a date to be announced. This convention is expected to give discontents in the party an opportunity to voice their views, which have begun to creep into the deliberations in party meetings.

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I have been receiving interest of $37.50 annually on debentures of Stobie-Forlong assets. Will they pay full interest and pay off the debenture? What is the market value? Are the stock purchase warrants worth anything?

The $37.30 per year you have been receiving on your debenture of Stobie-Forlong Assets Ltd. represents a return of your capital and is in no way to be regarded as income.

Stobie-Forlong Assets is the remaining estate of the former Toronto stock brokerage firm of Stobie-Forlong & Co. The debentures were issued to ordinary creditors such as yourself, whose claims had been proved and filed.

Stobie-Forlong Assets defaulted on the debentures, and after default went into bankruptcy and it is now in process of liquidation. Each payment made to you, therefore, is a return of your capital, rather than income. The debentures have no market value, and the common share warrants are worthless. The full amount of the debentures will never be paid. In fact, there is not much more to be paid to the holders of debentures.

National Steel Car

I would appreciate having your comments on National Steel Car Co.

Last year National Steel Car Co. was able to show an operating profit for the first time in several years. The financial statement also shows a strengthening of position. Common stock of this company, the only security outstanding, has lately come in for considerable market attention owing to the receipt by the company of a qualifying order for munitions from the British Government. The importance of this order has been overstressed, but it is important as indicating that the company is in a position to handle orders for war materials when such are placed in Canada by the British Government. As regards the domestic field, the volume of business is somewhat limited, but prospects are hopeful that before long the railways will reenter the market for additional equipment. Given the business, this company can show substantial earnings on its relatively small share capital.

B. A. Oil

Does B. A. Oil stand in a position to provide better payments to shareholders?

British American Oil Co. showed earnings of $1.10 a share last year, but this did not include the huge revenues from U.S. production of crude oil. No doubt you have noticed our recent report that the company's gross revenue in the United States is now running well over $5 millions annually, or considerably above $2 a share. A large part of the American income can be written off to depletion and development, but if the United States maintains its tax on undistributed surplus the company will eventually have to be much more generous with shareholders than was indicated by the 20-cent extra payment declared for Jan. 2. The company's earnings from Canadian distribution are stated to have declined in 1936 but this is relatively unimportant in comparison with the huge American earnings which have only developed in the last year or two. Even though the company might devote the U.S. income first to liquidation of its bond issues of $8.1 millions, shareholders should eventually get substantial benefits from this comparatively new revenue.

Canada Wire

It would be appreciated if you would let me know the arrears of dividends on Canada Wire and Cable preferred stock.

Directors of Canada Wire & Cable declared a dividend of $2.75 a share on the prefered stock, payment to be made Dec. 23, 1936. After this payment the stock will be in arrears to the extent of $20 a share.

Dominion Coal

I am a subscriber to The Financial Post and would like to avail myself of your investment enquiry service to ask an opinion on Dominion Coal Co. preferred stock.

Dominion Coal Co. production for 1936 is expected to be the largest for any year since 1929. While there is no official statement in regard to sales, expectations are that they too will be on a higher level, with a resultant improvement in earnings. In 1935 the company earned $2.10 a share on the preferred stock, as against dividend requirements of $1.50 a share. The investment merit of the security has been influenced somewhat by the feeling that profitable operations depend very largely upon the Government rail subventions on shipment of coal to the Ontario and Quebec markets. Withdrawal of this subvention, it is felt, might place the company in a position where it would not be able to pay the dividend on the preferred stock. There is little likelihood of this subsidy being changed, as it has received the support of both Conservative and Liberal Governments at Ottawa and moreover is recognized as a part of the Canadian fuel policy.

Sherwin-Williams

Can you let me have information on recent earnings of Sherwin-Williams Co. of Canada. Is the company paying a dividend on the preferred stock?

Sherwin-Williams Co. of Canada's position has undergone an improvement, both from the point of view of operations and earnings. The financial statement for the year ended Aug. 31 last, showed earnings of $7.58 a share on the preferred stock, as against $5.94 in the previous 12 months. Prospects for future improvement are described by the president as most encouraging. Dividends on the preferred stock were paid regularly from 1911 to the end of the 1932 fiscal year. Payment was reduced by half in 1933 and deferred in 1934. Last year regular payments were resumed and it is expected that before long the company will take steps to clean up the small amount of arrears, as the strong working capital position, combined with the better prospects, would appear to justify such a step.

Can. Fairbanks-Morse

I am thinking of buying some Canadian Fairbanks-Morse preferred. Is the dividend earned and are the shares callable?

The 6% preferred stock of Canadian Fairbanks-Morse Co. is redeemable only by purchase in the open market. The company pays its preferred dividends regularly. Earnings in 1935 were the equivalent of only $5.36 a share, although there have apparently been improved results this year.

Dominion Rubber Co.

Are the preferred shares of Dominion Rubber Co. cumulative as to dividends? Are they callable? Is the dividend earned regularly?

Dominion Rubber Co.'s 7% preferred shares are noncumulative and are not callable. The company continues to pay the regular $7 annual dividend on the 30,000 preferred shares although it was not shown as earned in 1935. The earnings record has been rather erratic. In the last seven years the preferred dividend was covered only in 1929 and in 1934. The company's liquid position is strong, however, and the 5% refunding bonds were reduced from $8 millions to $4 millions between 1932 and 1934. The $2.4 millions of 6% bonds have been called for redemption and this should strengthen the preferred's claim on earnings.

Toronto Dairies

Can you give me some information on Toronto Dairies Ltd.? What are the future possibilities and is it likely to pay dividends? What is the value of the preferred shares of $10 each?

We cannot give you complete information on Toronto Dairies Ltd. Financial statements have not been issued to us, but we are informed that the company has not been losing money and is solvent. We gather, however, that dividends are not being earned, and understand that payments are unlikely for some time. The outlook does not appear very certain because competition is keen in the industry and earnings of larger companies are only moderate.

There is no market value for the preferred, and in the absence of transactions it is impossible to give a reasonably accurate valuation. We understand that occasional offers of stock have been made by dealers around $4.50, which may indicate that shares could be purchased privately around $4. However, there do not appear to have been any buyers, so a fair price might be somewhere between $2.50 and $4 a share.

Russell Motor Car

Please give me a brief report on Russell Motor preferred. Can the shares be taken from holders by redemption?

Russell Motor Car Co. is a holding company with its major interests in Canada Cycle & Motor Co. and in Acme Screw & Gear Ltd. These subsidiaries have been active, as is shown by the net profit of $111,812 for the Russell Motor Car Co. in the year ended Dec. 31, 1935, compared with $65,534 in 1934. There are 12,000 of the $100 preferred shares of Russell Motor Car outstanding, on which annual dividend charges of $7 a share total $84,000. Recently the company has been making payments on arrears of dividends as well as the regular 7% payments. The Russell preferred is not callable, but recently the company made an offer to buy in any shares that holders cared to offer. This does not prevent other shareholders, however, from retaining their stock. The lowest point of earnings in the depression was $3.11 a share in 1933, but on the basis of present business the company appears to be capable of earning comfortably the dividend of $7 a share.

Abitibi Preferred

Do you think there is a possibility of Abitibi Power & Paper Co. being able to pay dividends on the preferred stock in the next three years?

Abitibi is in receivership, and earnings have not been sufficient to cover the $1.7 million formerly charged annually for depreciation. This year's earnings will show improvement but will not cover depreciation and bond interest. Although improvement in earnings would eventually allow some payment on the bonds, there is no early prospect of preferred dividends. For one thing, the company will require substantial increases in working capital before paying anything, even on the bonds.

There is the possibility, of course, that reorganization will allow the company to increase working capital so as to be in a position to make interest payments when substantial earnings are realized. And the improving position of the newsprint industry is encouraging. But what these developments will mean for the preferred is doubtful, especially as a reorganization might put the preferred junior to new issues of securities to bondholders.

Robt. Simpson Preferred

How does Robert Simpson 6% preferred stand as an investment, particularly as to earnings?

Preferred stock of Robert Simpson Co. is not callable. The only senior security is a comparatively small issue of Robert Simpson bonds. However, the Robert Simpson Co. pays rentals to Simpson's Ltd. on parts of the various properties and these rentals are a prior charge before the Robert Simpson securities. Even though Simpson's Ltd. has not been paying its full preferred dividend in the last few years, the Robert Simpson Co. has always paid in full.

Being the operating company, with a comparatively small capital and a first charge on net operating earnings after rentals, Robert Simpson Co. has shown profits in excess of the preferred dividend throughout the depression. The lowest earnings were $14.77 a share on Robert Simpson preferred, in 1933, compared with the dividend rate of $6.

Imperial Oil

Is the outlook for Imperial Oil earnings and dividends favorable?

Imperial Oil Ltd. has been showing earnings slightly under $1 a share, but has been paying annual dividends of $1.25 a share. The company's large reserves and the conservative manner of stating earnings indicate that these extra disbursements could be continued for some time. However, International Petroleum Co., the major Imperial Oil subsidiary, produces the greater part of Imperial Oil's income. The International Petroleum producing developments have been expanding for some years and are already reflected to some extent in the earnings and market price of Imperial Oil. Of course, the higher prices now prevailing for crude oil are going to help earnings of International Petroleum and also those of Imperial Oil eventually. The effect may be to allow Imperial Oil to cover its current dividends which are in excess of the stated earnings. There does not appear to be anything sensational in the outlook, but there is a prospect of further gradual improvement in revenues.

Ottawa Power

I am considering making an investment in the preferred stock of Ottawa Light, Heat and Power Co. and would like to have your views on this security.

Ottawa Light, Heat and Power Co.'s earning power has remained constant for many years and dividends have been paid on the capital stock since 1907. Earnings on the old 6½% preferred stock ranged from around $15.50 to about $22 a share, as against dividend requirements of $6.50 a share. The new preferred stock calls for a dividend of 5% and there is little question of the ability of the company to maintain this payment.

Investing in Aviation

I have noticed articles in The Financial Post mentioning increases of capital for two Canadian airplane companies. With the coming of the Trans-Canada air service, I would like to know what companies would probably benefit most. Is it likely that the companies manufacturing aircraft would profit more than those chiefly interested in the transportation end? What companies will service the important terminals? Aviation will no doubt be increasingly important in Canada, and I wonder whether I am wrong in looking for increases in price of shares of manufacturing and transport shares in the business?

Details of the Trans-Canada air service, such as those regarding the servicing of terminal points, have not yet been divulged officially by the Government, so we cannot be definite on this point.

Canadian Airways appears to be one company to get immediate benefits from the Trans-Canada air service. This firm is likely to get major transport business, but the company's shares are closely held and are not generally available to investors.

Eastern Canada Air Lines operating in the Maritime Provinces should get feeder business out of the air transportation system. This company has only recently started operations and it is difficult to say how profitable the shares will be. However, they are available to public investors.

Wings Limited, Winnipeg, also has shares on the market, but this company, too, is a young organization. It has shown moderate earnings on its mining transportation this year, but, of course, investment in youthful organizations of this kind is always somewhat uncertain.

As to Canadian manufacturing, Canadian Car & Foundry Co. recently made arrangements to manufacture aircraft here and Canadian Vickers recently obtained an order from the Dominion Government for five large flying boats. These are two of the major companies concerned in supplying aircraft, but it is doubtful whether this business will provide a steady and major income. These companies have depended on other types of work for their major income in the past and their shares have already risen substantially. Of course, there is a good deal of competition in manufacturing from British and American firms, and although manufacturers abroad have been busy on Government orders, many of them are in a position to seek Canadian business too.

The de Havilland Aircraft of Canada is another manufacturing company whose shares are available and its business is largely in aircraft. The earnings record, however, has not been impressive.

Fairchild Aircraft Ltd. is a manufacturing company which has had steady improvement in sales and whose shares only recently became available to the general investing public. But the earnings record has not indicated substantial income possibilities yet.

In proportion to capital, it appears that companies in the transport business may receive greater benefits from the Trans-Canada air service than companies manufacturing aircraft in this country. However, the large firms in the manufacturing end have greater diversity of business and stronger financial positions than some of the transport firms and their securities are more seasoned from an investment standpoint.

Mortgage Finance

I recently acquired a 7% first mortgage bond of Mortgage Finance Corp. of Quebec. Can you tell me anything about this company and whether or not it is paying interest.

Mortgage Finance Corp. is still in existence. National Trust Co. is liquidating assets of the company and we are informed that there is no particular change in the position of the company and little or no prospect of any distribution on capital in the near future. The last distribution was made on Jan. 15, 1934, when 15 cents on the dollar was distributed.

There is a limited market for these bonds.

Canadian Bronze

Will you please let me have a report on Canadian Bronze. I am interested in the preferred stock.

Canadian Bronze Co.'s new 5% cumulative redeemable preference stock is well regarded. Previously the company had outstanding $7 preferred stock, issued in May, 1927, and on which dividends have been paid regularly up to the time of redemption this year. The preferred dividend has always been earned by a substantial margin; share profits on the old preferred touching a high of $55.86 in 1929, a low of $15.34 in 1933 and $25.53 in 1935. Current reports are that earnings of the company are on a somewhat better basis.

Consolidated Paper

As a subscriber I would like to have a report on the common stock of Consolidated Paper Corp. Is it regarded as a sound investment?

Consolidated Paper Corp.'s position has undergone improvement and if the plan of capital adjustment is approved by bondholders, the company will be relieved of the responsibility of paying interest charges in cash over the next three years. In this event, Consolidated Paper will have an opportunity of rebuilding its working capital position, a step which would materially improve the position and prospects of the common stock. Nevertheless it should be remembered that there is not likely to be any return on this security for several years to come.

Fraser Companies

Will you be so kind as to favor me with your opinion on Fraser Companies. I hold some of the common shares.

Fraser Companies are understood to be doing better this year, the demand for its different products such as sulphite pulp, paper, lumber, being on a larger scale. During 1935, consolidated net earnings totalled $1.8 million, an increase of about $250,000 more than in 1934 and the best reported for several years. After providing for depreciation, depletion, bank interest and bond interest, and interest on deferred bond interest, there was a net loss of $84,288. This contrasts with a loss of $2.3 millions in 1932. This year the company carried out a plan for the satisfaction of deferred interest charges and by which the working capital position of the company has been strengthened. Cash interest is being paid on the new 6% first mortgage bonds. Under the recent plan no dividends may be paid on the capital stock of the company until net liquid assets are not less than $3.5 millions and until the sinking fund payment due July 1, 1940, has been made. At the end of last year net working capital totalled about $2.5 millions.

Rackets

Public Santa Claus

RACKETEERS, too, have their Santa Claus. He is John Public and at Christmas time he plays a typical Santa Claus rôle without knowing it.

"The Christmas season," observes a Toronto Better Business Bureau official, "is accompanied, as is usual and proper, by many appeals for assistance; some of them worthy, many rather questionable — and others absolute swindles."

This year the signs point to a particularly heavy deluge of fake Christmas appeals, part of the avalanche of "draws," "raffles," "concert ticket rackets," and a dozen other forms of easy money efforts that have flooded eastern Canada in recent months. Envelopes arrive daily in hundreds of eastern Canadian business offices, addressed to individuals whose names are on "sucker lists," and the Christmas season is a harvest for these and other, more direct, efforts to raise money from gullible victims seeking "long shots."

Business men and the public have paid out $75,000 in Toronto alone between Dec. 1, 1935, and Nov. 30, 1936, to charity racketeers, it is estimated by the Toronto Better Business Bureau. These payments include the "take" of canvassers selling tickets over the telephone, turkey draws, lottery tickets and charity appeals for dubious "causes." In one case cited by Bureau officials, gross receipts from the sale of tickets and advertising totalled $40,000, but by the time the promoters of the "charity" had received their share and expenses had been disbursed, slightly under $9,000 eventually found its way into the fund for which the tickets were sold.

* * *

"Free" Enlargements

INGENIOUS is one of the latest schemes which technically is not a racket but which is so transparent in its object that probably it will die a natural death. A "free photo enlargement" is offered to the prospect by mail, the "literature" accompanying the offer asking only that a negative or snapshot be forwarded for enlarging at the "studio" located in Toronto. There is no charge for service, which is the usual "free introductory offer." The "studio" merely asks that 29 cents in coin be sent with the negative or print "to help cover cost of wrapping, handling, etc."

Postage stamps, it is carefully pointed out, are not legal tender. But 29 cents will go a long way toward defraying the cost of wrapping up a picture and mailing it with three or five cents postage involved —and perhaps leave a bit over.

Nova Scotia Steel

I am thinking of purchasing some of the securities of Nova Scotia Steel & Coal Co., as I note that they are selling at a substantial discount. What progress has the company made? Also I would appreciate any other material you have on this concern.

Nova Scotia Steel & Coal Co. has been in receivership since the early part of 1933 and as no report has been issued by the liquidators to date, it is impossible to say definitely what progress has been made. Unofficially it is understood coal operations have been more profitable, while steel operations have shown an improvement of late.

It is likely the company will carry out a reorganization, but at this stage one cannot say how the stock and other securities of the company will be affected.

Tuckett Tobacco

Please be good enough to let me have your opinion on an investment in Tuckett Tobacco preferred.

Tuckett Tobacco Co., a subsidiary of Imperial Tobacco Co. of Canada, has a very well developed earning power and its securities have a high investment rating. The company has no bonds, while its capital stock is about equally divided between preferred and ordinary shares. All of the latter are held by Imperial Tobacco, while the public is interested in the preference stock. The preferred is entitled to cumulative dividends of 7% per annum and is not subject to call. The dividend has been earned several times over for many years past and in view of the high dividend rate, the stock sells at a substantial premium.

Montreal Stock Brokers Add to Bank Borrowings

From Our Own Correspondent

MONTREAL.—Member firms of the Montreal Stock Exchange report collateral borrowings on Nov. 30 last at $30.9 millions, an increase of $4.3 millions from the previous month, when notes totalled $26.6 millions. This is indicative of a greater volume of marginal trading. Compared with a year ago, when borrowings amounted to $18.1 millions, the figure represents an increase of $12.8 millions.

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The use of equity stocks is often the proper solution of problems of corporate finance.

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Agnew-Surpass Shoe Stores Limited
Bell Telephone Company of Canada
Bulolo Gold Dredging Limited
Canadian Bronze Company Limited
Crown Cork and Seal Company Limited
Industrial Acceptance Corp. Ltd., Class A
International Mining Corporation
Jamaica Public Service Limited
John A. Lang & Sons Limited
National Steel Car Corp. Limited
Niagara Wire Weaving Company Limited
H. Simon & Sons Limited

A booklet descriptive of the above companies will be forwarded on request to anyone interested.

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In the opinion of our legal advisers, these Debentures will be a legal investment for trustee funds in Jamaica.

Debentures maturing in the years 1937 to 1944, inclusive, have already been sold. Subject to prior sale and change in price, we offer, when, as and if issued and received by us and subject to the approval of our legal advisers:—

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25,000	" " "	1946	" 100,	" "	3.00
25,000	" " "	1947	" 100,	" "	3.00
25,000	" " "	1948	" 100,	" "	3.00
25,000	" " "	1949	" 100,	" "	3.00
25,000	" " "	1950	" 100,	" "	3.00

It is expected that definitive debentures will be available for delivery on or about December 15th, 1936.

Full particulars upon request.

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In The Construction World

PRACTICAL stagnation in the construction industry during four years of depression had two results which would still affect the industry with any sudden expansion in demand for building. These results were a dearth in apprentices in the building trades and an increasing percentage of older men without any experience in the handling of entirely new building materials or processes. With the moderate recovery in construction to date, already shortages of skilled workmen are reported in certain lines. As remedy the National Construction Council of Canada suggested:

"THAT the National Employment Commission promote, on a Dominion-wide basis, a system of apprentice training through the facilities of the various existing vocational training institutions, and that the Federal Government, as a part of a National Employment Programme, should pay the cost of apprentice training classes. In other words, the Government subsidy should cover the cost of conducting special apprenticeship classes and the payment to the boy of the ordinary or modified rates of pay while attending them. The system, if adopted, should be arranged to cover a period of 10 or 15 years."

• • •

Practical Training For Building Apprentices

THOUGH nothing is said about the matter in the actual resolution, it is understood that the National Construction Council has also suggested that somewhat similar measures be taken to train those workmen who, through lack of employment, have not come into contact with the newer materials and methods. Special classes could be opened where this training would be available.

The Council's proposals have the advantage of providing theoretical training after the young man is employed, rather than waiting for his training to take place before he can be employed. Their adoption would also provide a system of training which may be said to be practical with a theoretical supplement rather than theoretical with a practical supplement, and the building trades regard this destruction as very important.

• • •

Air-conditioning Boosts Glass Use

PRODUCTS may change but they are not so easily displaced. Especially is this true of a universally used product like glass.

When a windowless office building was erected in the United States recently, some observers saw in this development the end of glass. Air-conditioning, it was said, could not function at maximum efficiency with the ordinary single sash windows.

But today the general introduction of air-conditioning into offices, factories and homes is regarded by the glass manufacturers as a key to double sales. To provide the necessary insulation, especially in winter when the sharp variation between outside and inside temperature is liable to produce frosting, some type of double glazing is generally advocated. This may be simply two panes in the one sash, which can be opened occasionally for cleaning. In homes it will mean, in fact has already meant, a return to the old-fashioned storm window. With offices and factories the glass brick, heavy, 80% transparent and with a hollow core, is offered. In a short time the glass companies hope to have a still newer material, sheets of perfectly transparent glass in various sizes and thicknesses with a built-in, hermetically sealed air space.

In any case the advent of air-conditioning indicates definitely that decidedly more and not less glass will be used for construction.

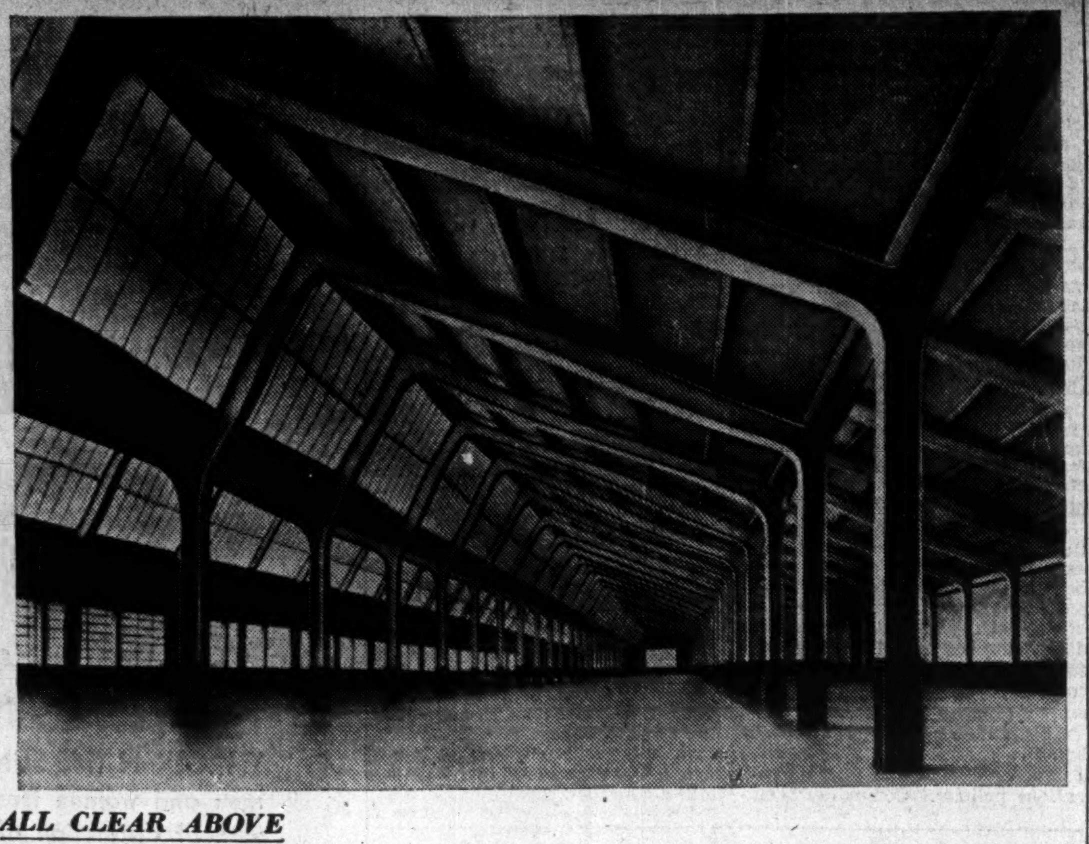
• • •

Specialty Steel Finds Wide Market

SPEAKING broadly the only steel companies on this continent which have made any money during the last few years are those which have a diversified line of production. The average buyer, according to W. F. Detwiler, of the Allegheny Steel Company, no longer thinks of steel as just steel, but as something to fill a special purpose. He wants it in various shapes, sizes, weights and lengths, and in various alloys which will not weather, stain or rust. In the last five years a huge amount of steel has gone into these speciality markets which were hardly in existence before the depression.

St. Catherine Improvement Continuing Bond Interest

St. Catherine Improvement Co., owners of the Automobile Sales Building, Montreal, is understood to be continuing the paying of bond interest in full but only at the company's office. A list of bondholders is being prepared and it is expected a meeting will be called in the near future.



ALL CLEAR ABOVE

Broader working aisles with unobstructed head room are now possible as a result of the new type of rigid frame construction designed by the Austin Company, industrial engineers and builders. The new design is particularly adapted to one-floor factories where abundance of light is desirable.

Unobstructed Headroom Features Factory Type

A new design for single story industrial buildings, providing broader factory aisles, unobstructed head room to full ceiling height, and maximum uniform daylight throughout, has been developed by the Austin Co., industrial engineers and builders, through the use of welded rigid frame construction.

Entirely stripped of cross members and trusses which cast spider web shadows across most factory areas today, the new type has a continuous rigid sawtooth frame formed by the welding of rolled beam sections which permit economical construction of aisles up to 50 feet in width. It is particularly adaptable to requirements of machine shops, precision parts production, and the textile, food and printing industries, where air-conditioning is a factor of increased importance.

More Uniform Light

"Application of the latest engineering practice will permit the attainment of simple functional lines in plants of the future," Albert S. Low, vice-president and chief engineer of the Austin organization, states. "By taking advantage of a system which utilizes the controlled elastic deformation of structural steel in a building of the sawtooth type, it will be possible to eliminate all passing shadows caused by transitory sunlight and to ensure more efficient and uniform artificial illumination at night. The advantages of sawtooth construction have long been recognized, but until now these have been confined to the glareless qualities obtained by facing monitors to the north. With all non-functional members eliminated, the new type will give unobstructed space for ventilating or air conditioning ducts, pipes, and other functional equipment.

Flexible Operating

"With broader aisles available, and clear unobstructed head room from floor to roof, men responsible for production will have the maximum opportunity to develop efficient and flexible operating layouts for the future. Straight line operations in any of several directions will be possible."

Extensive research carried on at the Austin Co. fabricating shops in Cleveland preceded announcement of the new type. European engineers, it is stated, have applied similar technique in their factory construction, due to its more efficient utilization of steel.

"With labor costs relatively low and steel at high prices abroad, they turned to this type of design as an economy measure," Mr. Low says. "With steel prices relatively low and labor high on this continent, this technique was not exploited, but now welding offsets the differential in labor cost and brings rigid frame construction down to a more reasonable level. It is bound to find widespread application in the period of industrial building immediately ahead."

Liverpool Plans Modern Suburbs

5,000 Houses to be Erected in Ambitious Experiment

An experiment in the housing of the populations of big cities in a new way is to be carried out in Great Britain by Liverpool on its housing estate at Speke, where it is planned to erect 5,000 houses at a cost of £2,100,000. The scheme aims at providing not merely a dormitory for lower-paid workers, but a complete self-contained unit accommodating all classes.

A new idea for the safeguarding of pedestrians is incorporated in that through traffic and buses will not be allowed within the estate. Planned in the form of an oval, the estate will be completely encircled by a ring road, which will carry all through traffic and buses, but the layout is such that no resident will have more than a quarter of a mile to walk to a bus stop.

Model Suburb

No houses will front on to the ring traffic road, but only to the subsidiary roads of the estate, and between these and the main road will be a park belt 150 feet wide encircling the whole area. In one direction the oval will be dissected by a central boulevard, running from end to end but not open to through or bus traffic. On this will be situated stores, clinics, doctors' and dentists' offices, a library, cinema and all the necessary social amenities. Sites have been reserved for seven schools, several churches, children's playgrounds, rest gardens and a large recreation ground.

Work will be provided for 2,000 building operatives for two and a half years and for about 350 men for three years on road and sewer construction.

More Asphalt Roofing Is Produced This Year

Production of asphalt roofing in Canada continues to roll up imposing totals. For the first ten months of 1936 smooth surface squares totalled practically 675,000 as compared with less than 580,000 for the same period in 1935 and a total of approximately 694,000 for the whole of 1935.

Asphalt shingles for the first ten months of the current year were produced to a total of 332,000 squares as compared with 252,000 for the same period in 1935 and 286,000 for the whole of last year. Incidentally production during the first ten months of the current year in this line was more than the total production in any year from 1932 on.

Ready-made Flooring Laid Like Linoleum

A new type of ready-made parquet floor has made its appearance in United States. It is made by Wood-Mosaic Co. and like linoleum is laid in strips on a base of adhesive and felt. The outer surface is genuine teakwood, oak or walnut and it is put up in 2 x 6 ft. sections, eight to a carton. It is cemented to the floor base in the same way as ordinary office linoleum, and thus may be finished and ready for use in a few hours and without disturbance to office routine. Parquet floors have become very popular in higher class offices.

Trend Toward Special Steel

Diversification Continuing on Steadily Larger Scale

Gradually the building public is turning to special steels for special jobs and this trend is to receive further incentive in the immediate future, states W. F. Detwiler, executive vice-president of Allegheny Steel Co. "In many fields already," this authority says, "steel is not merely steel but an alloy evolved by research for some special application."

This trend, incidentally, has been strongly noted in Canada in recent years with several of the large Canadian companies pursuing a steady policy of diversification with a steadily widening range of products to meet a variety of special conditions.

Through its metallurgical and engineering work, the steel industry has made outstanding improvements but the public does not yet recognize fully the merits of the products now available, argues Mr. Detwiler. A major problem of the steel industry in the coming year, therefore, is the education of the ultimate consumer to take advantage of the increased efficiency of the new steels which can be used to improve the products he buys.

Must Educate Consumer

"Educating the consumer," says Mr. Detwiler, "involves direct contact between the steel manufacturer and the public, and consequently a rehabilitation of steel marketing methods. When this is accomplished, both the public and the industry will benefit. As the pioneer producers of stainless steel in the United States and the developers of numerous special electrical and magnetic steels, we responded some years ago to the need of educating the public to the advantages of our products, and have continued and expanded this policy to the present time."

New Buildings

Dominion Foundries & Steel is erecting an addition to its plant at Hamilton, Ont. The new unit will be used for production of cold rolled strip for tin slate.

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Quaker State Oil Refining Co. of Canada, is installing three additional 8,000-gallon oil tanks at its Toronto plant.

• • •

Metcalfe Foods has commenced operations in a new plant at Whitby, Ont., canning corn and peaches under the trade name of "Sure Good."

• • •

Smith Batteries, Calgary, has acquired new quarters equipped with modern installation and facilities to make it one of the most up-to-date battery plants in Western Canada.

• • •

Gypsum, Lime & Alabastine, Canada, has completed an addition to its plant at Caledonia, Ont., for manufacturing rock wool.

• • •

Eberhart & Walker recently commenced operations in London, Ont., manufacturing a wide range of metal products. Ornamental iron work, steel equipment, wire products, brass and bronze work are included.

• • •

Cobourg Dyeing Co. has embarked on a plant modernization schedule to include structural alterations and machinery additions at its Cobourg, Ont. plant. The programme will probably involve a year and a half or two years' work of modernizing.

• • •

Federal Rubber Products, Stratford, Ont., is installing additional equipment and enlarging plant. A five to 10% increase in staff is anticipated on completion of the addition.

• • •

Carlson Cycle Wheel Goods has leased 25,000 feet of space in Oshawa, Ont., for the manufacture of bicycles, and other children's wheel goods.

• • •

Frederick B. Stevens of Canada, maker of foundry supplies and firebrick, is building an addition to its Windsor, Ont., plant.

• • •

Canadian Longyear, North Bay, Ont., manufacturer of diamond drill equipment, is making an addition to plant, to be used largely for assembly purposes and as a stock room.

• • •

Gray Forgings & Sandings, Toronto tool manufacturer has purchased the tool business of McKinnon Industries, Ltd., St. Catharines, Ont.

• • •

Mantle Lamp Co. of America, manufacturer of electric, floor and table lamps, has completed arrangements for an assembly and finishing plant in Toronto.

• • •

Vulcan Electric Products, Toronto, is erecting a new modern building in Toronto.

• • •

O'Neill European Machine Co., Montreal, is a new addition to Canadian industry, manufacturing machines used in the glass industry for making bottles automatically. The company is manufacturing solely for the export market.

• • •

Dominion Glass Co., Montreal, is erecting a one-story addition to its plant at Wallaceburg, Ont. There will be no change in plant output.

• • •

Logan Garment Co. has purchased the Ellison Milling & Elevator Co. plant of Lethbridge, Alta. to house the new "Logan-Knit" plant.

• • •

United Steel Corp. has completed an arrangement with Edge Moore Iron Works of Edge Moore, Delaware, to manufacture and sell, through United Steel's Welland, Ont. plant, products of the Edge Moore company, including tubes and air preheaters.

Insulating Board Sales Show Gain

Indicates Increase in Residential Construction and Renovations

Sales of rigid insulating board in Canada for the first 10 months of the current year are already well in excess of the total for 1935 and 1934, and more than double those for 1933.

Up to the end of October total sales of this material amounted to almost 34 million square feet as compared with under 23 million for the same period in 1935. For the whole of 1935 sales amounted to slightly under 28 million square feet.

October sales alone amounted to well over four million square feet as compared with approximately three million for October, 1935. The increase, of course, is attributed not only to the slight increase in total Canadian construction industry this year, but to the substantial increase in house building and renovation.

It is expected the new Government-backed home modernization loans will stimulate still further sales of insulating boards. This material is very largely used for the creation of new rooms in the attic or basement of private dwellings. It is also used for improving the acoustics in offices, churches and public halls.

Vancouver Construction Eclipses Previous Years

Vancouver construction in 1936 will easily establish a record greatly in excess of that of the last few years. Up to the end of November total construction based on permits issued is estimated to be worth $4,428,860 as compared with $3,728,880 for the corresponding period in 1935 and less than $1.4 million in 1934.

November's building of $250,000 is well up on the previous month in 1935. November building this year included 55 new homes valued at almost $165,000 and alterations or repairs to another 60 dwellings. Residential construction accounted for almost three quarters of the November construction.

North Sydney Building Up

From Our Own Correspondent

SYDNEY, N.S.—Building permits for the first 10 months of 1936 at North Sydney totalled $48,225 as compared with $15,300 in the same period of time in 1935.

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TC362

Life Underwriters Urged To Combat Legislation

Nairn Sees Challenge to Underwriters in Alberta Situation

SAVINGS IN DANGER

Speaking before the Toronto Life Underwriters Association recently in regard to the Aberhart debt legislation at the last session of the Alberta House, A. Gordon Nairn, field supervisor of the Life Underwriters Association of Canada, said:

"We are facing a situation today of vital concern and consequence not only in so far as our business and our policyholders are concerned, but also in so far as the whole economic and democratic structure of our country is concerned. I refer to the fact that savings of millions of owners of life insurance policies, held in trusteeship by life insurance companies, are being exposed to serious risk by ill-conceived legislation.

"Repudiation of contracts, either partially or totally, confiscation of private property, refusal to allow redress in the courts, has arisen by way of legislation. The greatest danger in these Acts lies, not so much in the fact that they have been passed by legislators, but that they have so far met with the approval of a large section of the public, who also are unaware of their application and consequence.

"There are conservatively three and one-half million policyholders in Canada whose individual savings total the assets held in trust for them by the life insurance companies. During the last five years life insurance companies have paid out one-half million dollars a day to policyholders and their beneficiaries, more money than was distributed in relief by all governmental agencies combined.

Far-reaching Legislation

"I don't believe it will take much imagination to realize what the result would be for the life insurance business, and their policyholders, who are the people of this country, if this kind of governmental action were to spread and be condoned by the public through lack of understanding.

"This legislation goes far beyond the realm of domestic provincial policy. It affects the whole structure of the economic and democratic basis of our country. It strikes out with a stroke of the pen rights which we Canadian people have cherished from our British heritage. We have seen examples of this in other parts of the world—we don't want that to happen in Canada.

"For the past several years the life insurance companies have, particularly in the West, treated their debtors on the basis of ability to pay. In some cases they have nearly wiped out past indebtedness of municipalities and voluntarily instituted a considerably lower interest rate.

"They have particularly assisted drought-ridden farmers by supplying seed grain, by payment of their taxes, by applying part of the interest payment to principal repayment, by reducing principal debt on the basis, for example, that every dollar paid counted for a dollar and a half.

"In this whole connection it should be known that the average interest return of life insurance companies on their investments in the West during the past few years has not been 5%.

"This legislation must not be allowed to remain on the books. Its application will harm the business you represent as it will impair the savings of its millions of policyholders whom you serve; it will harm the people of Alberta since it will hurt the credit and good name of that province and tend to cut it off to a considerable extent economically from the rest of the country; finally since it affects not only life insurance but the whole economic fabric of our every-day financial and commercial life, it will harm the country as a whole while bringing the name of Canada down the scale in the eyes of the rest of the world."

Crown to Boost Non-par Rates

Increased premium rates on non-participating policies will be inaugurated on Jan. 1 next by Crown Life Insurance Co., The Financial Post learns.

The new rates will be higher on all plans but the increase will be greatest on endowment and investment plans.

Reasons for the change is a revision of the company's tables due to the assumption of a lower interest rate being earned in the future than in the past.

The importance of this change as far as Crown Life is concerned is indicated by the fact that out of $28.6 millions of new business issued in 1935, almost $15.5 millions, or 54% was non-par.

ASSISTANT SUPT.

G. J. Kotzenmeyer, who has been appointed assistant superintendent of agencies for Confederation Life Association. Mr. Kotzenmeyer was formerly educational supervisor and supervisor of conservation. He has been with the company 25 years.

Security Value Creates Issue For Insurance

Life Companies Must Decide on Valuation of Western Mortgages

Customary memorandum of G. D. Finlayson, federal superintendent of insurance, regarding the basis which life companies may use for valuing their securities in their 1936 statements throws little light on the real issue which is facing most companies as the year draws to a close.

In his memorandum Mr. Finlayson sets forth what has now become the "optional" basis of "authorized values" as opposed to the actual market value basis which most companies have once more adopted. Only one or two life companies (notably Sun Life and National Life) used "authorized" values for their 1935 statements and it seems not unlikely in view of the sharp gains that have been made in equity values on the stock exchanges of this continent during 1936 that Sun Life for 1936 will have no difficulty, if so desired, in returning to market values for 1936.

Mortgage Situation

Most important at present, however, is the basis of valuation used for mortgages outstanding in Alberta, and to a lesser degree in Saskatchewan and Manitoba.

If the Alberta law, for example, were to be taken literally, it would mean very drastic revaluations for many companies with large mortgage holdings in this province. The fact that the law is being treated as "ultra vires" in everyday routine is one thing, but when a decision must be made as to how this law shall be treated in making official year-end calculations for balance sheet purposes there is a different situation to face.

Some time ago Mr. Finlayson issued a request to the companies for information as to their holdings in these provinces and negotiations are still under way as to just how mortgages in these provinces which have undertaken drastic debt revaluation programmes are to be treated.

Apparently no definite ruling will be made but it is known that in the case of Alberta mortgages, the federal insurance department leans to the view that the companies should treat this legislation as if it were a fait accompli. Rather than write down their assets, however, they are being urged to set up reserves so as to be prepared to meet any eventuality. Doubtless leniency will be shown to those companies which might be embarrassed by having to make this adjustment in the one year but it seems probable that most companies with substantial mortgage holdings in that province will be expected to go a considerable way toward making as much provision as possible in 1936, along these lines.

In regard to Saskatchewan the situation is different since the new debt settlement scheme (which affects interest rather than debt principal) has been now approved and all companies will be expected to adjust their balance sheets to the new basis as at Jan. 1, 1937. Regarding Manitoba, since this debt plan is still in embryo there will be no urgency as far as 1936 statements.

Family Income Plans For Great-West Life

New family income plans were announced recently by Great West Life Assurance Co. These are in the form of protection riders which have been made available to age 65.

One of these provides that if the insured should die prior to the policy anniversary nearest the date of his 45th birthday, a monthly income of $10 per thousand of insurance will be paid to the beneficiary for a period of 20 years. The other provides that, no matter when the insured may die, the monthly income will be paid to the anniversary nearest the date on which he would have been 65.

Provident Assurance Changes Personnel

MONTREAL. — Hon. Alphonse Raymond has been elected chairman of the board of directors and Hon. Lucien Gendron, K. C., a director, of the Provident Assurance Co., while A. J. Major, formerly vice-president, has been promoted to the post of president.

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Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.
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The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .
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Careful selection of risks, high character of investments and reinsurance treaties assure "Portage" policy-holders of the fullest measure of protection.
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Can. Underwriters Postpone Meeting

The meeting of the Canadian Underwriters' Association at Ottawa, scheduled for Dec. 15, has been postponed until Jan. 19, 1937.

Officials state the reason for the delay is that time of year is not believed best suited for the purpose. After the beginning of the year, with the holiday season over and year-end business worries out of the way it is felt that a more representative attendance will be had.

J. J. McSweeney Named Policy Relations Officer

J. J. McSweeney, manager of London Life, Yonge St. industrial branch in Toronto, was recently appointed policyholders' relations officer by the company. His office will be connected with the company's branch in the Sterling Tower in Toronto.

Mr. McSweeney joined London Life in 1900 and has been a manager in Toronto for the last 27 years.

FIDELITY Insurance Company of Canada TORONTO

Farm Homes Suffer Heavily In Fire Losses

Almost One-third of Total Losses Not Covered By Insurance

DWELLING HAZARD

In the last 15 years, Canadian farmers have lost more than $27.6 millions from fires in properties on which they carried no insurance.

Fire loss statistics in recent years show that farmers continue to bear on their own shoulders a larger proportion of the uninsured fire loss than do dwellers in urban centres. For example, in the last five years, total farm fire loss was $19.1 millions, of which $13.4 represented risks covered by insurance. In the same period, apart from farm properties, fire loss has been $117.6 millions, the amount uninsured being only $28.1 millions. In other words, almost one-third of farm losses were not covered by insurance; less than a quarter of urban risks were unprotected.

These were conclusions advanced by Ontario Fire Marshal W. J. Scott, speaking recently to the Agricultural Committee of the National Fire Waste Council of the United States Chamber of Commerce. Referring to the "tremendous difference" in the causes and nature of fires as between farm and urban areas. Mr. Scott pointed out that, generally speaking, there are more small fires in urban centres. This arises possibly from greater carelessness on the part of the city dwellers or from the fact that city dwellers may make claims where a farm dweller would consider them the result of his own carelessness and never think of appealing to an insurance company.

"Despite the general freedom from exposure hazards and the lack of concentration of expensive buildings," stated Mr. Scott, "the farm fire loss is a serious problem. In the year 1935, out of a total fire loss for the Dominion of over $23 millions, almost $11 millions for fire loss occurred in rural districts, with another $2 millions in villages of under 1,000 population. The general per capita loss for the entire country was $2.12, but the per capita loss in the rural districts was $2.30.

Farm Loss Relatively High

"Similarly in 1934, rural districts had a loss of almost $12 millions out of a total Dominion-wide loss of over $25 millions. While the farm loss was $2.48 per capita, that in cities of over 10,000 population was only $1.79. In 1935, the difference was even more startling, with the rural loss being $2.30 and the city only $1.06. In some of the depression years, the difference between farm and city losses was not nearly so great in the total amount of loss, but there is almost always this great difference in the per capita loss. Possibly as a result of declining property values while the original amount of insurance has remained fairly constant, the proportion of the uninsured loss has materially lessened."

Ontario Barn Fires

Referring to Ontario experience, Mr. Scott stated that in the last 15 years barn fires have been fairly uniform in that total loss has been about $2 millions annually.

In respect to farm dwellings, there has been a continued increase in losses. Since Ontario statistics were first compiled in 1919, losses have aggregated $12 millions, with an insurance loss of very nearly $8 millions. In the five years 1919-1923, farm dwelling losses were $2.9 millions. In the five-year period ended 1935, this total had risen to $4.1 millions. The amount not covered by insurance has remained fairly constant at about $1 million, although insurance companies have had to pay out a considerably larger percentage in recent years. For example, in the first five-year period, they paid out $1.7 millions on a total loss of $2.9 millions. In the last five-year period they paid $2.9 millions out of a total loss of $4.1 millions, an increased insurance loss of 80%.

R. A. HUDSON has been appointed casualty manager at Toronto for the United States Fidelity and Guarantee and the Fidelity Insurance Co. Mr. Hudson was formerly casualty manager at Montreal.

Fire Agents Satisfied With Existing Policy

Clarification of fire insurance policies is not one of the crying needs of the Canadian insurance business, in the opinion of most of the agents consulted by The Financial Post.

In New York, fire agents are strongly advocating revision of the standard policy to tell in simple language just what it does and does not cover "so that the policy may appear in terms understandable to the average intelligent layman." Canadian agents state that they do not advocate similar action here. In Canada, they point out, there is a uniform fire insurance act, and the few things which may be subject to criticism can be remedied on the policy itself.

On the whole, disputes in connection with fire insurance policies are extremely few. One agent who has been in the business for 40 years reports that in all that time, only three of the policies placed by him were disputed. And in all three, it was found that the insured had made fraudulent claims.

Companies Generous

Agents state that, generally speaking, fire insurance companies take a broad view of the coverage on various policies. Companies themselves will probably take the position that this view has, in many instances, been too broad for their own good, particularly in respect to "cigarette" losses.

Some believe that there is plenty of room for interpretation and clarification of the statutory conditions in regard to fire insurance. Responsibility in this respect, it is admitted, should properly rest with the agent who must explain to the insured just what is and is not covered by his policy. On the other hand, it is probable that any revision of existing statutory conditions would result in a series of legal decisions designed to establish the exact meaning of the various clauses, and would only succeed in further confusing the issue.

There may be some room for improvement in respect to accident and sickness policies, however. Here, there is no uniform legislation, and it has been said that there are no two policies alike. Disputes in this connection are probably more numerous, relatively, than in any other line of insurance. The insured is often in a position where he is not certain what is covered by his policy until a claim is made.

PRESIDENT

Alfred L. Aiken, who has been elected president of the New York Life Insurance Co.

He joined the company in 1894 as assistant manager at New England, then five years later entered the banking business. He was governor of the Federal Reserve Bank of Boston from 1914 to 1918, helping to organize the Federal Reserve System. He became a director of the New York Life in 1917 and actively rejoined the company in 1925 as second vice-president. In 1931 he was made vice-president.

His recreations include hunting and fishing and he is a member of the Mastigouche Fish and Game Club of Quebec.

Threshing Fire Losses Much Lower in Ontario

Threshing fire losses in Ontario have been reduced materially this year. Total loss is placed at $113,394, a reduction of $85,057 from 1935. Only 33 fires were reported to the Fire Marshal's department in 1936, 31 involving loss of buildings.

In making the announcement, Fire Marshal Scott says: "Not all of these fires were the result of careless smoking, but it is true that in not one of the 33 cases where fires did occur had there been any precautions taken by the threshermen or owner to prevent smoking or carrying of matches by those working.

"From our investigations, we could find no increase in fire hazards from using gasoline tractors as motive power over the old steam engine."

New Licenses

North Star Insurance Co. has been granted a certificate of registry by the federal department of insurance to transact inland transportation insurance and automobile insurance, excluding insurance against liabilities for loss or damage to persons or property caused by an automobile, in addition to the classes for which it is already registered.

Shows Burden Of Life Taxes

Now Range as High as Three Per Cent of Premiums

The growth and extent of taxation by Provincial Governments of life insurance companies was reviewed last week by J. B. Hawson of the Mutual Life of Canada, speaking before the Life Insurance Institute of Canada.

Actual rates as a percentage of premiums for each province which range from 1% in Prince Edward Island to 3% in Manitoba are as follows:

Provincial Taxation of Life Insurance Companies

	% of Prems.
Alberta	2.2
British Columbia	2.25
Manitoba	3
New Brunswick	*2.25
*Plus $150.	
Nova Scotia	2.5
Prince Edward Island	1
Quebec	1.75
Saskatchewan:	
On annual premium income or less than $50,000	1.5
$50,000 or more but less than $100,000	1.875
$100,000 or more but less than $150,000	2.25
$150,000 or more but less than $200,000	2.625
$200,000 or more	3

"The years 1931 and 1932 witnessed increases ranging from 10% to 50% in practically every province in the rates which have been levied up to that time," said Mr. Hawson. "Legislators saw in an increased imposition on premiums paid to life companies, an expedient way to supplement the declining revenues which confronted them, regardless of the fact that they were thereby placing additional impediments in the way of a large body of deserving citizens who were endeavoring, through life insurance, to prevent themselves and their dependents from becoming burdens to the state.

Each year for the last ten years the Standard has declared a . . . . .
$21 PER $1,000
ANNUAL COMPOUND BONUS
addition to the Sum Assured and corresponding Cash Dividends . . . In 1936 this yielded for the year to many of the older members over
$40 PER $1,000 on the original sum assured
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WORLD WIDE SUN LIFE OF CANADA SECURITY SERVICE
THERE'S A SUN LIFE POLICY FOR EVERYONE

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Such an important undertaking calls for the services of a person with special training—one whom you can confidently trust with intimate details of your financial position, your life's hopes and aims—one upon whose experience you can draw in planning such a program to the best advantage.
To such types of men and women throughout the Dominion, the Canada Life is proud to entrust its personal contact with you. We have confidently placed in their hands the good name and high reputation gained by the Canada Life through 90 years of service to Canadians and we do not hesitate to ask the public to have confidence in them.
Canada Life representatives are men and women who regard life underwriting as a life work. More than four hundred of them in Canada and the United States have given from five to over fifty years of their lives to the service of the Canada Life.
All their knowledge of business and financial matters is at your disposal. They have back of them an organization with 90 years' experience to help you with your problems.
We invite you to take full advantage of the information and service which this continent-wide organization makes available.

The Canada Life Assurance Company Established-1847
Canada's Oldest Life Assurance Company
Head Office - Toronto, Ont.

Bank Chat

Bank of Canada

AGITATION for complete nationalization of the Bank of Canada crops up periodically. Latest is the proposal made by the Ontario Government at the recent federal-provincial conference in Ottawa.

Shareholders, however, have no cause to worry. The Federal Government is entirely satisfied with the present set-up which gives the Government controlling interest. There is little danger of further change being made, despite proposals made by such influential bodies as the Ontario Government.

There would in fact, be little purpose in changing the present set-up since it would not alter the policy of the bank one iota. Central banking authorities are agreed that control or ownership of the capital stock is of little importance as long as the bank does not become a department of the Government. Mr. King and his associates realize this and are in accord with the present policy of the bank. It would be impossible for the central bank to pursue a course in direct opposition to the policy of the Government.

One session of the conference was given over to a discussion of the services the Bank of Canada can render to provincial governments. In this connection it was arranged that there should be an interchange of information between the bank and the provincial governments in respect to the probable trend of interest rates and new financing being undertaken. This should result in a greater co-ordination in governmental borrowings in Canada.

* * *

Bank of Finland

THIS month, the Bank of Finland celebrates its 125th anniversary. When Finland separated from Sweden and became part of the Russian Empire, the only bank in the country was a "kind of branch" of the Bank of Estates of Sweden. Primarily to create some semblance of order in the monetary situation and to deal with exchange of the various coinages and notes, the Bank of Finland was established in 1811. Early business was largely confined to these duties, lending being insignificant and note issue greatly restricted.

The bank was reorganized as a bank of issue in the modern sense in 1840, and 20 years later was granted the right to issue its own notes in Finnish marks as well as silver and copper coin. Until 1861, it was the only actual banking establishment in the country. Since that year, however, a network of joint stock banks, savings banks and other financial institutions has spread across the country.

Coercive policy of the Russian authorities during the war caused the Finnish mark, following the rouble, to fall in value. Even after 1917, when Finland declared her independence, inflation continued. The central bank lost all its own funds at that time, and was only able to improve its position gradually with government assistance.

* * *

U. S. Branches

RUMOR persists that more liberal branch banking legislation will be an issue in the United States' Congress next spring. Back of support for such action is, of course, the traditional argument of security, which has particular significance in the States after the thousands of bank failures in recent years.

Perhaps more important at present, however, is the contention that a branch banking system permits a greater measure of credit control. With increasing emphasis on currency and credit regulation the world over, the problem of dealing individually with the huge number of banks in the United States makes control very cumbersome indeed. Some have regarded this as the primary cause of the bewildering maze of banking legislation across the line.

One of the chief advantages of the Canadian system has been that the number of banks has been so limited that a measure of concerted action has been possible. Not that the banks have always been in agreement; they have had their differences the same as any other group. Now that the central bank is in operation, the small number of chartered banks enables a much greater co-ordination, in so far as the Bank of Canada takes the "other ten" into its confidence.

* * *

Branch Trials

THE life of a branch bank manager "in the sticks" is not nearly as easy as some would picture it. To this an officer of the Royal Bank who recounted one of his experiences in the bank's magazine will certainly attest.

For years it has been his ambition to be transferred to a branch where water comes out of a pipe by merely turning a tap. On one occasion, on holiday, the banker, wife and youngster of four stopped at a swanky hotel in one of the larger American cities. The youngster viewed with curiosity the drinking fountain in the hotel lobby. Finally, he called out "Say, daddy, we haven't got one of these things at our home, have we?" He was assured they had not.

"I'll say we haven't" he piped up, "we drink out of a pail, don't we, daddy?"

The family checked out exactly 10 minutes later.

First National President

Leon Fraser has been elected president of the First National Bank of New York succeeding J. E. Reynolds, who is retiring because of ill health. Mr. Fraser, who has been vice-president of the bank since June, 1935, was formerly with the Bank of International Settlements.

Banks' Cash Reserves Take Year-End Jaunt

Sharp Rise in November Reversed This Month — May Reflect "Window Dressing"

After a brief sojourn in the stratosphere, cash reserves of the chartered banks with The Bank of Canada have assumed more "normal" proportions.

Just what caused the flight, most bankers are at a loss to explain definitely. One banker admitted to The Financial Post that he "had given up hope of making head or tail of the central bank's statements." Officials of the central bank are tight-lipped on the subject. As one official expressed it: "I hope we aren't giving the public too much information."

In any event, what actually happened is clear. Deposits of the chartered banks with the central institution rose from $173.8 millions in September to $214.9 millions at the end of November. Security holdings of The Bank of Canada began their rise a month earlier and advanced even more sharply from $110.7 millions to $169.2 millions. Over the same period, note circulation of the central bank was also rising materially, mostly due to seasonal influences, it is believed.

Decline Marked

Immediately following the end of November, the position was sharply reversed. The Bank of Canada's weekly statement for the week ended Dec. 2 showed chartered bank deposits at $201 millions, more than $13 millions lower than they had been two days earlier. This decline was carried still further in the subsequent week, as was also a reduction in security holdings. Note issue, which had reached a peak in October, fell off in subsequent weeks as grain financing requirements eased.

Perhaps most important is the question of whether or not the development was inflationary. Experts on this subject are inclined to say no. At least they regard it as no more inflationary than credit issued on the basis of Government securities.

One thing appears certain. The chartered banks have not built a pyramid of credit on the base provided by these inflated reserves. Bankers approached by The Post have expressed the view that November returns will show little increase in commercial lending or in security purchases. Certainly there will be nothing approaching the $350 to $400 millions which theoretically could have been extended.

Window Dressing?

Some see a coincidence, or perhaps more than a coincidence, in the fact that the increase in cash reserves took place in a month which marked the fiscal year end of several of the chartered banks. In the past, most of the banks have not been averse to a bit of "window dressing," and the inference is that this may possibly account for a large portion of the rise. It should be kept in mind, however, that the central bank, and not the chartered institutions, determines the volume of reserves.

Consequently, if, as appears the most logical explanation, the increase in deposits represents year-end window dressing, the Bank of Canada has been a party to it. While the chartered banks as a whole cannot vary their cash reserves with the central bank, the individual banks can. For example, one bank may purchase securities from another, in this way increasing its own reserves with the central bank. The bank which sells the securities, on the other hand, will show depleted reserves. It appears probable that this is what occurred during November, and in smaller measure, in October.

Treasury Bill Rates

However, in order to maintain the competitive position of the various banks, particularly in respect to purchases of treasury bills, so one explanation runs, the central bank may well have taken steps to bolster up the reserves of those banks with depleted deposits. For instance, the Bank of Canada, as the financial agent of the Dominion Government, is interested in obtaining a low rate of interest on treasury bills. It appears logical that the more banks tendering, the greater possibility of a lower rate.

Acceptance of tenders this week for $25 millions of treasury bills of the Dominion Government at a very low rate would tend to lend weight to this theory.

To obtain a proper perspective, it is necessary to consider the way in which the central bank operates. Cash reserves with the central bank form perhaps the most significant item in Canadian banking. For it is through this medium that The Bank of Canada influences the volume of credit outstanding. These reserves may be held either in deposits with the central bank, or in notes issued by it.

Cash Reserve Ratios

The Bank of Canada exerts a material but indirect influence on the credit situation in the Dominion. It must operate through the medium of the commercial banks, whose aggregate reserves it directly controls.

Legally, the chartered banks must maintain with the central bank, either in deposits or in notes, reserves amounting to 5% of Canadian deposits. Actually, reserves are maintained at a figure closer to 10%.

Each bank determines, from its own experience, what its reserve ratio should be, and generally takes whatever steps are within its powers to keep the ratio at that figure. For instance, over and above the 5% minimum, a relatively small percentage is usually kept as a "cushion" to prevent the ratio falling below the legal minimum. Then, the banks have found it to be sound policy to hold a fairly substantial reserve against large deposits which may fluctuate widely from day to day.

The chartered banks receive reports from branches in respect to deposits at least once a week, in some cases daily. This applies particularly to the larger balances, where a very close contact is maintained.

Effect on Loans and Securities

Having determined the proper ratio, it logically follows that, unless the ratio is changed, any variation in reserves will be reflected in deposits of the banks. This, of course, would be effected through advances and holdings of securities. For example, if a bank is working to a 10% ratio, an increase in cash reserves with the central bank of $1 million, would theoretically mean an increase of $10 millions in the bank deposits, reflected, naturally, in loans and security holdings.

Strangely enough, the chartered banks have no power to alter the volume of their cash reserves with the central bank. This statement applies, of course, to the banks as a whole rather than to any one individual institution. Policies of the central bank determine just what aggregate cash reserves shall be. And in so doing, they determine the volume of credit in the country as a whole.

Open Market Operations

The method by which a central bank can influence these reserves is twofold: By varying the bank rate, and by open market operations. The first method has not been utilized in Canada in view of the absence of a well-developed money market. Open market operations—purchase and sale of securities—have been the chief weapon of The Bank of Canada.

Actual effect of open market operations is as follows. If, for example, the central bank buys $2 millions of securities, the reserves of the chartered banks will show a corresponding rise. If the securities are purchased from a bank, its account with the central bank will be credited directly. If they are bought from an individual or any institution other than a bank, then the seller will pay the amount he receives from the central bank into his account with one of the chartered banks. The reserves of that particular bank will, of course, be increased by the amount of the purchase when the cheque from the central bank is cashed.

Exactly the opposite process would take place, if the central bank were to sell securities.

Practical Effect

In actual practice, the influence of the central bank generally is not as sensitive as the foregoing might imply. While each bank determines what its "normal" ratio shall be, the actual reserves fluctuate from day to day. The ratio of one of the chartered banks, which maintains a relatively high average ratio of about 11%, has varied from less than 9% to more than 15% within a relatively short time.

In other words, bankers have the power to revise, temporarily at least, the ratios they maintain in respect to cash reserves.

One bank president suggested to The Post that this actually occurred in November. By temporarily altering the ratios, they allowed balances to accumulate with the central bank, without exerting any appreciable effect on the general credit situation.

Bank of Canada Weekly Statement

A decline of almost $8 millions in chartered bank deposits featured operations of the Bank of Canada in the week ended Dec. 9. This brings the total to $193.8 millions, a drop since the end of November of more than $20 millions.

Other large changes shown in the balance sheet are an increase of $6 millions in deposits of the Dominion Government, and a reduction of $4 millions in short-term security holdings.

Balance Sheet

	Dec. 9	Dec. 2
Liabilities	$	$
Capital paid up	10,100,000	10,100,000
Notes in circ.	125,315,989	126,164,926
Rest fund	173,092	173,092
Dep.: Dominion	29,408,212	23,984,980
Banks	193,773,441	201,603,774
Other	1,777,073	1,815,869
Total deposits	224,958,726	227,404,623
All other liabs.	3,960,734	5,935,086
Total liabs.	364,508,542	369,777,727
Assets		
Reserve: Gold	179,368,973	179,368,973
Silver bullion	2,011,799	2,078,859
Res. in sterling and U. S.	19,249,440	17,694,275
Total reserve	200,630,212	199,142,107
Subsidiary coin	165,952	212,952
Advances	....	......
Investments:		
Dom. Govt. short	60,563,957	64,726,304
Other Dom. Govt.	99,489,878	99,943,346
Total invest.	160,053,835	164,669,650
Premises	372,162	372,162
All other assets	3,266,381	5,380,856
Total assets	364,508,542	369,777,727
Reserve ratio	57.27%	56.32%

Weekly Bank Clearings

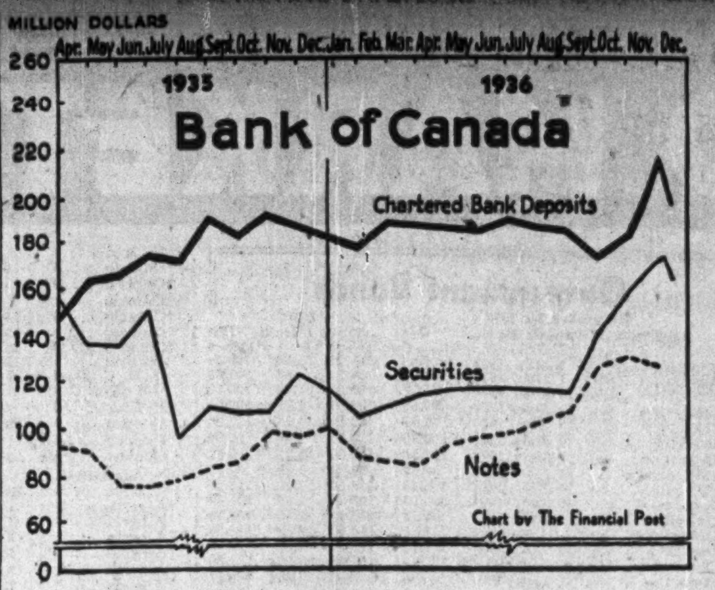
	Dec. 10 1936 $	Change year ago %	Dec. 3 1936 $
Halifax	2,513,420	+11.0	2,804,499
Saint John	1,763,665	— 5.2	1,984,355
Moncton	800,823	+ 4.2	809,789
Sherbrooke	560,801	— 8.4	627,192
Quebec	4,736,640	+14.4	7,097,223
Montreal	113,627,702	+26.8	134,344,683
Ottawa	30,192,246	+62.3	27,028,342
Kingston	596,293	+ 4.9	619,316
Peterborough	649,251	— 3.3	643,918
Toronto	127,264,264	+16.8	166,966,856
Hamilton	4,801,716	+22.6	5,560,093
Kitchener	965,489	— 4.4	1,183,174
Brantford	924,796	+13.5	962,785
London	2,769,162	— 0.5	3,104,736
Chatham	617,701	+22.1	670,712
Windsor	3,220,697	+41.1	3,310,423
Sarnia	540,017	+ 7.3	540,100
Sudbury	964,078	— 0.4	1,052,753
Fort William	773,589	+14.1	878,085
Winnipeg	37,141,369	—22.1	49,050,851
Brandon	330,484	+13.9	349,145
Regina	4,232,233	— 3.3	4,347,643
Saskatoon	1,499,466	— 2.1	1,629,746
Prince Albert	330,755	— 0.2	377,462
Edmonton	4,064,296	+ 0.4	4,419,761
Calgary	5,996,216	—12.8	5,889,618
Medicine Hat	229,175	—11.3	253,032
Lethbridge	570,171	+ 0.8	478,305
N. W'minster	642,798	+26.5	638,787
Vancouver	20,362,229	+18.5	21,825,685
Victoria	1,839,711	+ 9.2	1,903,411

Pt. Arthur Tax Collections $1,028,232 to Nov. 30

Port Arthur's collections of taxes this year are expected to total about 105% of the 1936 tax levy, including receipts of both 1936 taxes and arrears. This refers only to actual cash collections, which totalled $1,028,232 in the first 11 months of this year.

Up to Nov. 30, the city collected $841,190 of current taxes, or 83.33% of the 1936 levy of some $1,010,000. This compares with collections of 82.9% of current taxes in the first 11 months of 1935.

Collections of arrears totalled $187,042 in the first 11 months of 1936, or 18.53% of this year's levy, compared with 17.1% in the corresponding 1935 period.



BANKING TRENDS

Illustrating the trend of three major items in the Bank of Canada's balance sheet, the above chart clearly indicates the sharp changes which have occurred in recent weeks. It will be noted that the changes in deposits of the chartered banks and in security holdings, since the beginning of November, have shown the widest variation since the revaluation of gold in July, 1935.

The chart is based on figures appearing in the Bank of Canada's monthly statements, except in December where weekly figures have been shown.

Mayor McGeer Changes Tune

Is No Longer Crying Bankruptcy For Vancouver

From Our Own Correspondent

VANCOUVER.—While this city will encounter difficulties if it attempts to refund issues of bonds that have not matured, London financiers will co-operate with a view to obtaining a lower rate in refunding maturing issues.

That is the interpretation placed on a letter to Mayor G. G. McGeer from Sir James Leigh-Wood, a partner in the firm of Brown, Shipley & Company, the city's fiscal agents in London. The letter, which is a sequel to Mayor McGeer's recent conferences in England, requests a full schedule of the city's short-term loans payable in Canada and the United States, giving respective amounts, dates of maturity and interest rates.

"With this information in hand, we might be able to make constructive suggestions designed to relieve the rate of interest paid by the city," stated Sir James.

Mayor McGeer says that London financiers, opposed to refunding unmatured loans, were sympathetic to proposed financing of maturing issues at lower rates. Vancouver, however, has been able to take care of maturing bonds from sinking fund earnings.

Nevertheless there are certain maturing loans, including a capital bank loan, which the city hopes to refund at a lower rate of interest.

Finances Improve

One of the peculiarities of the present situation is that whereas Mayor McGeer was sounding the bankruptcy cry a year ago he now claims that there has been substantial improvement in the finances of the city during his two years in the mayoralty chair. He states that the net debt of the city has been reduced by $772,000 while the assets of the city have increased by $1.2 millions. Although the real estate tax levy was reduced by $820,000 in 1935 and $1.6 millions in 1936, revenue collections this year are $634,000 higher than they were in 1934.

Lloyd's Refuse War Risk Cover

Advice from London states that Lloyd's has abolished all war risk policies in Great Britain.

The action is taken to mean that no buildings or fixed property which ordinarily would be insurable against war risks will henceforth be insured by the English underwriters. Marine risks, including property in transit, will not be affected by the ruling.

It is further reported there is a possibility that the ban on this type of risk will be extended to include the entire world at the beginning of the year.

The matter has been under consideration for some time, although it is understood that developments in Spain played a large part in the decision.

Commission Delves Into N. S. Compensation Act

A commission appointed by the Nova Scotia Government to enquire into the provisions of the provincial Workmen's Compensation Act, its administration and operation and "all matters in any way relating to workmen's compensation in Nova Scotia" is now holding sessions in the various industrial centres of the province.

The commission is made up of J. A. Hanway, K.C., Amherst; Dr. W. D. Forrest, Halifax, and J. H. Cummingham, Bear River, N.S.

The commission was formed by the Provincial Government as a result of representations made by the U.M.W. and other labor unions throughout the province that many sections of the present act have become obsolete and that the act should be thoroughly overhauled to meet present day conditions.

New Books

Woman on the March

HONOURABLE ESTATE. By Vera Brittain. Published by the Macmillan Company of Canada. Toronto. Price $2.50.

Vera Brittain writes of a world in transition. She writes so objectively of men and women and events as to suggest the biographer or historian, rather than the novelist. That is perhaps why it is necessary for her to preface "Honorable Estate" with a statement indicating the purposes of her volume and assuring the reader that it is not the story of her own life.

In "Testament of Youth" Miss Brittain told of the war and its catastrophic effect on youth. In "Honorable Estate" she makes a searching enquiry into the economic and social changes in the status of women. It is a story of the psychology of woman's march to political freedom and toward economic equality.

The book ends with 1930 and thus avoids the necessity of assessing what is left of women's gains. But there is a note of triumph; that whatever the ebb and flow of social advance the tide moves resistlessly on.

Canada's Foreign Policy

CANADA: The Empire and the League. Published for the National Council of Y.M.C.A.'s in Canada by Thomas Nelson and Sons. Toronto. Price $1.50.

Each summer the Y. M. C. A.'s of Canada hold an Institute on Economics and Politics at Lake Couchiching. Last summer's discussion was on the topic of Canada's responsibilty for world peace. The addresses and discussions have now been gathered together to make this little volume.

Among those who contributed to the discussion were men of international reputation and authority such as Dr. Raymond Buell, Lord Snell, Dr. Hans Simons, Dr. John A. Mott and a number of Canadians capable of presenting one or other of Canada's diverse attitudes on international relationships.

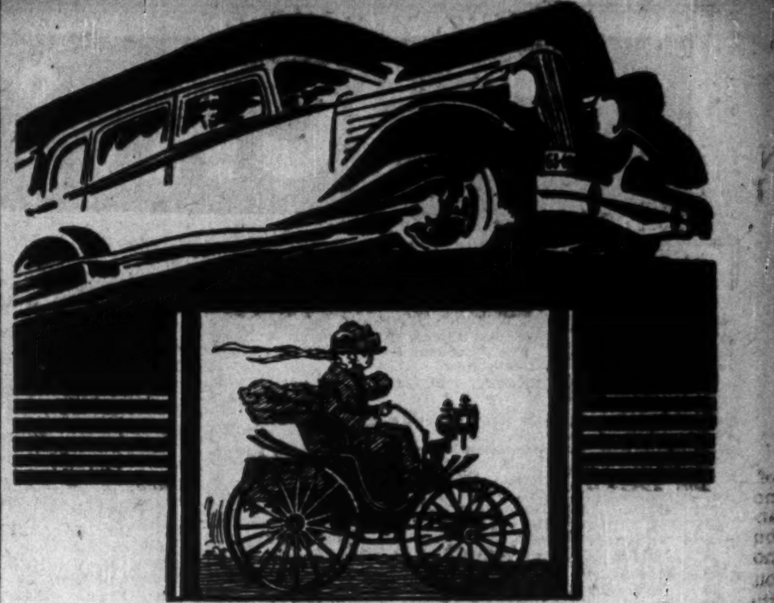
An excellent and objective task of summary and interpretation has been done by Prof. R. A. Mackay of Dalhousie. He tells Canadians frankly that, with the world entering a troubled period in its history, we cannot continue to refuse to face the dangers of our own position. Where does Canada really stand, he asks us to say: for the collective system, for greater Imperial unity, for a closer Anglo-American entente? All of these and other attitudes are explored in the volume which will prove of value to study groups attempting to appraise Canada's responsibilities and opportunities in a crisis-weary world.

Radical Sees Spain

SPANISH FRONT. By Carlos Prieto. Published by Thomas Nelson and Sons, Toronto. Price 75 cents.

The author sees the issue in Spain as one between democracy and autocracy; between Spain's slowly evolving democratic system and the forces of fascist dictatorship. Making no forecast as to the result of the present war, he nevertheless sees beyond its immediate consequences. Whatever comes in Spain now, whether Communism or Fascism, the country will have to pass through it to fulfill its destiny, which, he believes, lies in the realms of philosophic anarchism.

The author is of the Left and his book will be regarded as leftist propaganda. But it gives a clear and readable picture of the forces that have been at work in Spain over the centuries preparing the background for the present bitter conflict.



CONSTANT CHANGE

Changing Conditions often call for changes in one's Will:

- Changing financial conditions
- Changing Succession Duties
- Changing family, business and other relationships

Wills should be reviewed from time to time to be sure that such changes do not necessitate changes there also.

The Royal Trust Company does not draw Wills but its officers will be glad to assist those who wish to plan Wills, and to co-operate with them and their lawyers in getting them into the best possible shape. Our experience may be of considerable value to you.

You have spent your life building your estate . . . spend a few hours in safeguarding it.

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Life Policies in Alberta Now Total $323 Millions

Life insurance to an amount of $323 millions, covered by 228,511 policies, were in force on the lives of citizens in Alberta in 1935, according to the annual report of the superintendent of insurance published recently.

The number of policyholders was placed at slightly over 100,000, and estimated amount of premiums paid during the year to maintain these policies was $10.2 millions.

In the same year the companies paid out to policyholders in the province disbursements of just over $9 millions. Of this latter sum, $4.5 millions represented surrender value payments; $1.6 millions, dividends and $1.8 millions, death claims. Matured endowments totalled $735,000 and other disbursements $300,000.

During 1935, 21,770 new policies were written for a total volume of $23.7 millions. Other additions on 5,121 policies accounted for $9.2 millions.

Halifax Cargo Tonnage Holds Around 1935 Level

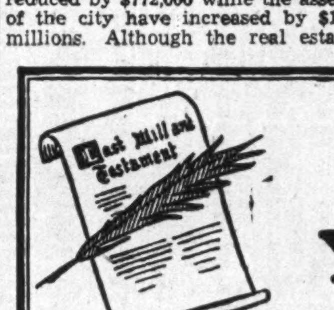
From Our Own Correspondent

MONTREAL. — Cargo tonnage handled through the port of Halifax last month totalled nearly 165,000 tons, of which imports amounted to 104,415 and exports 60,359 tons. This is practically the same as reported in the same month last year, but is appreciably ahead of 1934 and 1933.

For the first 11 months this year cargo movement inward totalled about 1.1 million tons and outward 781,208 tons. Compared with the same period in 1935, this represents a decrease of about 17,000 tons in imports and about 110,000 tons in exports. Compared with the returns for 1934 and 1933, the traffic volume this year is substantially greater.

U. M. W. on Wage Plan For Dominion Coal O. K.

Wage negotiations leading up to a new working contract between Dosco and district officers No. 26 U. M. W. at Sydney, N.S., will get under way immediately following the election of new district officers of the union which was held Dec. 8. The present contract between Dosco and the U. M. W. expires Jan. 31, 1937. District 26 U. M. W. is composed of 2,000 coal miners employed in the principal coal mines of Dosco in Nova Scotia. John L. Lewis, international president of the U. M. W. of America will send two representatives here to assist the local U. M. W. executive in drawing up the new wage agreement.



Your Will and Your Estate

Succession Duties in Canada

Each of the nine Canadian provinves imposes an inheritance tax, or succession duty on estates passing to heirs, but since taxation, exemptions and types of taxable estates vary among the provinces, there is no common basis on which to estimate the duty applicable to all. The principle is the same in all provinces, but it is necessary for the individual to study the law as it applies to his or her own province before an accurate estimate of succession duty requirements for an estate can be made.

Contrary to the general impression that succession duties are a purely provincial matter—although in practice they are—the Dominion Government also has power to collect succession duties. The right to levy taxation by any method was given the Dominion Government under the British North America Act of 1867, but the Dominion has never exercised its power in this connection.

Certain features of succession duty legislation are, however, common to all provinces and may be taken as a guide to the principle governing individual succession duty conditions within each province. In all provinces, "all property situate within the province, of which the deceased is competent to dispose," is liable to the tax.

Levied on Outside Property

In some provinces the tax is levied on personal property located outside the province, but legal decisions have held that a provincial legislature, on the death of a person domiciled within the province, cannot validly impose taxation on personal property situated outside the province. All provinces tax property transferred in contemplation of death, and with the exception of Ontario and Saskatchewan, voluntary dispositions of property made within periods of from one to five years of death are presumed to have been made in contemplation of death.

Expert Advice Needed

For the average testator, a wise course is to consult competent legal sources and determine the nature and extent of succession duty existing in the province where the testator is domiciled. Otherwise, what may be an honest conception of succession duty requirements can eventually prove costly to dependents who may have to meet taxes on a considerably larger scale than anticipated by the testator.

In Ontario, gifts made to a father, mother, child or children-in-law more than three years before death and not exceeding $20,000 in value in all, among them, are exempt, but otherwise gifts since 1892 are regarded as taxable. This phase of the Ontario law is regarded by some as too stringent and, in some cases, difficult of enforcement even with the fullest co-operation of heirs. Also, it is noted that present regulations do not include gifts to a brother, wife or sister among exemptions under the $20,000 clause.

Exemptions apply to charitable, religious or educational institutions in Ontario only. Exemptions apply on gifts up to $500 in value to anyone. Although exempt, all gifts, including those exempted, are regarded as forming part of an estate in Ontario and they consequently increase the value of the estate and the rate at which it must pay succession duty. The table of rates under the Ontario law illustrates how it is possible for an estate to increase from one bracket of valuation to another, as a result of including gifts, non-taxable as such, but which add to the total value of the estate for duty purposes. Even the $20,000 exemption does not apply to gifts made within three years of death.

In all provinces, property passing under a settlement, where an interest is reserved to the settler, is specifically taxed, except in Quebec. Annuities are also taxed in all provinces except British Columbia and Quebec, to the extent of their beneficial interests, and every province taxes the proceeds of life insurance policies, although here again exemption is possible under certain circumstances. Insurance policies made payable to the province, for the express purpose of paying succession duties are exempt to the amount of their face value less the amount of premiums paid, in Ontario.

Value at Time of Death

The testator can rarely arrive at an accurate basis of valuation of his estate for duty purposes when drawing his will. In general, all provinces base the value of an estate at the time of death, approximating the fair market value of property subject to general taxation. Thus, real estate values, security values and indeed the value of any other asset can change during the life of the testator to a degree that completely changes the amount estimated as succession duty between the time of drawing the will and the actual date of death.

Succession duty rates vary in the different provinces, but in all provinces the individual shares of an estate are taxed at a flat rate, the common basis of which is the value of the decedent's whole estate and the relationship existing between the decedent and the beneficiaries. In the majority of provinces an additional tax is levied on each beneficiary's share in excess of the stated minimum, and to the sum of these two taxes there is added in more than one province a surtax at a flat percentage rate of the sum of the two taxes. In most provinces, however, a minimum estate valuation is set for exemption of succession duty tax and certain classes of property, as well as certain beneficiaries are exempt.

No phase of wills and estates problems is more confusing to the average man or woman who attempts to draw a will and valuate his or her estate than the problem of estimating succession duty requirements. As in other phases of a will, provision for this most complex of all problems should be made only after consultation with competent legal and trust company authorities. It is the most dangerous element of all for "amateur" willmakers.

YOUR WISHES are the LAW

The wishes expressed in your Will are the Law to your executor.

He cannot change your instructions. His sole duty is to carry them out intelligently. He must give a strict accounting of his work to the beneficiaries.

When planning to provide for future contingencies it is advisable to discuss these matters with the executor who is to carry out your expressed wishes.

While reluctant to reveal private affairs to any individual, there need be no hesitancy in taking this Company into your confidence. The strictest secrecy is maintained.

With 35 years' experience, the Company has faced and solved the very problems that may appear perplexing to you and that would prove bewildering to many an individual executor.

The CANADA TRUST COMPANY

London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton, Vancouver, Victoria.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 14

Range 1936 High	Low	Div R'te $	Dec12 Y'ld %		Sales	Last Dec. 7	Week end. Dec. 14 H	L	Cl'se
				A					
4¾	1½	*	...	Abitibi	13865	4	4½	4	4½
37	6½	*	...	Do. pref. 6%	2554	30	33	30½	32½
77½	49½	*	...	Do. pref. 7%	....	(60 Dec. 4)			
36½	6½	*	...	Do. cert. dep.	....	(— bid 32 asked)			
5	4½	10c	...	Acadia Sugar	....	(— bid 5½ asked)			
21	14½	50c	2.6	Acme Glove	....	(12 bid 19 asked)			
100	94	6.50	6.9	Do. pref.	....	(— bid 97 asked)			
10	7½	40+20c	7	Agnew Surp.	45	8½	8½	8½	8½
110	100	7	6.5	Do. pref.	....	105½ bid 110 asked			
6	2	*	...	Alta. Pac. Gr.	495	2½	3	2½	2¾
39	19	*	...	Do. pref.	....	(24 bid 25 asked)			
54½	54½	*	...	Aluminium	....	(54½ Sept. 24)			
6	2	*	...	Amal. Electric	25	6	6	6	6
29	14	*	...	Do. pref.	55	29	26	26	26
[illegible]									
3¾	1¾	*	...	Walkerville Br.	690	2¾	2½	2½	2½
3.00	.95	*	...	Waterloo Mfg.	280	2.00	2.50	2.00	2.50
11½	4½	*	...	West. C. Flour.	5	10	10	10	10
79	36	*	...	Do. pref.	15	79	77	77	77
65	46½	2.40	4	West. Grocers	....	(— bid 75 asked)			
116	106	7	6	Do. pref.	....	(115 bid — asked)			
21	13½	80+10c	.	Weston Ltd.	1310	19	19	18½	18½
109½	93	5	4.6	Do. pref.	80	108	107¾	107½	107½
2½	¾	*	...	Windsor Hotel	....	(2 bid 3 asked)			
12	4	*	...	Do. pref.	55	11	10	10	10
6	1½	*	...	Winnipeg El. A	9031	4½	6	4½	6
5¾	2½	*	...	Do. (B)	5450	4½	5¾	4	5¾
35	17½	*	...	Do. pref.	130	21¾	35	22	35
53	33	*	...	Wood, A & J, p	10	53	51½	51½	51½
90	50	*	...	Woods Mfg., pf.	....	(84 bid 85 asked)			
				Z					
6½	2¾	.	...	Zimmerknit, c.	....	(5½ bid 6½ asked)			
90	60	3.50▲	..	Do. pref.	....	(89 bid 95 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.
● Plus stock bonus 1% paid Oct. 1.
♦ Capital distribution.

Government Bonds

December 16, 1936

Dominion of Canada Bonds

			Bid Dec. 16	Asked Dec. 16	Approx. Yield	Bid Dec. 9
†‡Dominion	5	1 Mar. 1937	100.65	101.15	.20	100.70
‡Dominion	5½	1 Dec. 1937	104.00	104.50	.87	104.05
Dominion	2½	15 Oct. 1939	103.00	103.50	1.28	103.00
Dominion	4	15 Oct. 1939	107.00	107.50	1.29	106.85
Dominion	2	15 Nov. 1939	102.00	102.50	1.16	102.00
Dominion	1½	1 June 1940	100.15	100.65	1.31	100.00
Dominion	4½	1 Sept. 1940	109.50	110.00	1.73	109.50
Dominion	1	15 Mar. 1941	98.00	98.50	1.36	97.75
Dominion	5	15 Nov. 1941	113.50	114.00	2.00	113.50
Dominion	3	15 Oct. 1942	105.00	105.50	1.99	105.00
Dominion	2½	1 June 1943	102.15	102.65	2.06	101.85
Dominion	5	15 Oct. 1943	114.50	115.00	2.59	114.50
Dominion	4½	15 Oct. 1944	113.15	113.65	2.56	112.75
■Dominion	2½	15 Aug. '43-45	101.15	101.65	2.23▲	101.00
Dominion	4	15 Oct. '43-45	109.50	110.00	2.40▲	109.35
Dominion	4½	1 Feb. 1946	113.15	113.65	2.80	112.75
Dominion	3½	15 Oct. '44-49	105.75	106.25	2.61▲	105.25
Dominion	4	15 Oct. '47-52	109.00	109.50	2.98▲	108.75
Dominion	3	1 June '50-55	101.00	101.50	2.86▲	100.75
Dominion	4½	1 Nov. '46-56	112.00	112.50	3.04▲	111.85
Dominion	4½	1 Nov. '47-57	112.25	112.75	3.12▲	111.85
Dominion	4½	1 Nov. '48-58	112.65	113.15	3.17▲	112.25
Dominion	4½	1 Nov. '49-59	112.80	113.30	3.24▲	112.45
■Dominion	3¼	15 Jan. '56-61	103.50	104.00	2.98▲	103.50
Dominion	3¼	1 June '56-66	102.00	102.50	3.08▲	101.75
♦Dominion	3	Perp. bonds	96.65	97.15	3.09	96.45
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	101.00	102.00	2.89	101.00
Can. N. Ry.	3	1 May 1944	103.75	104.75	2.30	103.50
Can. N. Ry.	3	15 Dec. '45-50	100.75	101.75	2.78▲	100.50
Can. N. Ry.	3	15 Feb. '48-53	100.25	101.25	2.88▲	100.25
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.11	115.25
*Can. N. Ry.	4½	1 Feb. 1956	115.75	116.75	3.32	115.50
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.42	114.25
*Can. N. Ry.	4¾	15 June 1955	118.00	119.00	3.36	117.25
Can. N. Ry.	5	1 Feb. 1954	118.75	119.75	3.48	118.25
*Can. N. Ry.	5	1 July '44-69	118.25	119.25	2.76▲	117.75
*Can. N. Ry.	5	1 Oct. '49-69	120.25	121.25	3.29▲	119.50
*M. Harb. C.	5	1 Nov. '49-69	120.50	121.50	3.28▲	119.50
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.50	104.50	3.65	103.50
†N. Bruns.	4½	15 Apr. 1961	110.50	111.50	3.77	110.00
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	114.00
N. Scotia	3	2 Sept. 1945	100.00	101.00	2.87	99.50
N. Scotia	4½	15 May 1943	108.00	109.00	2.96	108.00
†N. Scotia	4½	15 Sept. '47-52	111.50	112.50	3.14▲	110.75
†N. Scotia	5	1 Mar. 1960	117.75	118.75	3.78	117.00
*Ontario	4	1 June 1962	108.00	109.50	3.44	108.00
*Ontario	4½	1 Sept. 1944	113.25	114.25	2.46	113.00
Ontario	4½	1 June 1950	112.00	113.00	3.30	112.00
*Ontario	4½	15 Jan. 1962	114.50	116.50	3.51	114.00
Ontario	5	15 Oct. 1948	115.50	116.50	3.32	115.00
*Ontario	5	2 Dec. 1960	122.00	123.50	3.54	121.00
Ontario	5½	1 July 1946	116.50	117.50	3.32	116.25
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	.50▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	118.00	119.00	3.75	117.75
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	108.00	109.00	3.25	107.50
Quebec	4¼	1 Aug. 1958	111.50	112.50	3.44	110.75
Quebec	4½	2 Jan. 1963	113.50	114.50	3.64	113.00
Western—						
Alberta	4	15 Dec. '49-54	68.00	71.00	§	64.00
†Alberta	4	1 Dec. 1957	70.00	74.00	§	65.00
Alberta	4½	1 Oct. 1951	74.00	77.00	§	74.00
†Alberta	4½	1 Oct. 1956	73.00	76.00	§	68.50
†Alberta	5	1 Jan. 1948	74.00	76.00	§	69.50
Alberta	5	1 Sept. 1955	74.00	76.00	§	69.50
*Alberta	5	1 Oct. 1959	74.00	76.00	§	69.50
†Alberta	5½	1 Jan. 1947	74.00	76.00	§	70.00
Alberta	6	1 Mar. 1947	75.00	77.00	§	71.50
†Brit. Col.	4	1 Dec. 1957	93.00	95.00	4.38	91.50
*Brit. Col.	4½	15 Jan. 1951	97.50	99.00	4.59	96.00
†Brit. Col.	4½	1 Oct. 1953	97.00	98.50	4.63	95.50
†Brit. Col.	5	15 Jan. 1948	99.00	100.00	5.00	98.25
Brit. Col.	5	1 Sept. 1953	98.50	99.50	5.04	97.50
Brit. Col.	5½	1 Feb. 1945	100.00	101.00	5.35	99.50
Brit. Col.	6	15 Feb. 1947	100.50	101.50	5.80	100.00
Manitoba	4	2 Jan. 1950	90.00	92.00	4.81	88.50
†Manitoba	4	1 Dec. 1957	91.00	92.00	4.60	88.50
†Manitoba	4½	15 Dec. 1956	92.00	94.00	4.97	91.50
†Manitoba	5	15 June 1954	98.00	100.00	5.00	97.00
*Manitoba	5	2 Dec. 1959	99.00	101.00	4.92	98.50
Manitoba	5½	1 Oct. 1955	98.00	100.00	5.50	97.00
Manitoba	6	1 Apr. 1947	99.50	101.00	5.87	99.00
Sask.	4	15 Aug. 1953	79.50	81.50	5.71	78.00
Sask.	4	1 Nov. '55-60	79.00	80.50	5.46	77.00
*Sask.	4½	2 July 1945	91.00	92.50	5.61	89.00
†Sask.	4½	1 Oct. 1951	87.00	88.50	5.65	86.00
†Sask.	4½	15 Mar. 1960	86.50	88.00	5.41	85.50
Sask.	5	1 Aug. 1958	89.00	91.00	5.72	87.00
†Sask.	5½	15 Nov. 1946	94.00	95.00	6.18	93.00
Sask.	5½	1 Oct. 1952	93.50	94.50	6.04	92.00
Sask.	6	15 Mar. 1952	95.00	96.00	6.41	93.50

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED DECEMBER 14

Par Val.	Range 1936 High	Low	Company	Sales	Close Dec. 7 (or last)	High for week	Low for week	Close Dec. 14
1	.13½	.04	Afton	82,700	.07	.08½	.07	.07½
No	1.68	.88	Aldermac	134,190	1.50	1.62	1.45	1.55
1	.10	.01½	Alexandria	173,300	.03½	.05½	.03½	.04
[illegible]								
1	1.55	.42½	Sladen Malartic	120,175	1.25	1.55	1.27	1.53
No	.08½	.03½	South Tiblemont	7,400	.04	.04	.03½	.03½
No	.92	.18½	Stadacona	351,610	.83	.92	.79	.87½
1	.38½	.15	St. Anthony	12,350	.16½	.20	.16	.18
[illegible]								

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

OIL STOCKS

[illegible]

Corporation Bonds

Supplied by Investment Dealers' Assoc. of Can.

December 15, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Dec 15	Asked Dec 15	Bid Dec. 8
*Ass. Tel. & Tel.	5½	'55	83½	86½	82½
Beauharnois P.	5	'73	54½	57½	48½
*Bell Telephone.	5	'55	...	...	115
*Do.	5	'57	...	...	122½
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Power.	5	'60	96½	99½	98
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	94	...	94½
*Gatineau Pwr.	5	'56	102½	105½	102½
*Do., A	6	'41	100½	103½	100½
*Do., B	6	'41	99½	102½	99½
*Inter. Hydro-E.	6	'44	83	86	81½
*Inter. Power	6½	'57	98½	101½	98½
†Maclaren-Que. Power	5½	'61	97½	100½	93½
†Do.	5½	'64	96½	99½	93
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103½	106½	103
†Do.	5	'55	84½	87½	85
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	96½	99½	...
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	101½	104½	101
†Ottawa V. Pwr.	5½	'70	85½	88½	81½
†Power Corp.	4½	'59	100½	103½	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	99½	102½	99
†Do.	4½	'70	103½	106½	103½
†South. Can. Pr.	5	'55	102½	105½	103
*Winnipeg Elec.	4½	'60	104	107	104
Do., A	4	'65	82	85	76
Do., B	4	'65	73	76	66½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	81	84	75½
Acadia Sugar	4½	'55	...	...	100½
†Alta. Pac. Gr.	6	'46	96	99	95½
Asbestos Corp.	5	'42	...	...	109
B. A. Oil	4	'45	102½	105½	102½
†Canada Cement	4½	'61	103½	106½	103
†Can. Steamship	6	'41	60	63	58½
Can. Canners	4	'51	99	102	99
*Can. Inter. P.	6	'49	102	105	100
C. P. R.	3½	'51	99½	102½	99½
Do.	4	'49	105½	108½	105½
Do.	4½	'44	102	105	102
Do.	4	Perp.	96½	97½	96½
†Can. Vickers	6	'47	99½	102½	98½
†Consol. Paper	5½	'41	69	72	65½
*Dominion Coal.	6	'55	99	102	99
Dom. Sq. Corp.	6	'48	...	...	62½
‡Dom. Stl. & C.	6½	'55	...	...	83½
†Dominion Tar	4½	'51	100½	103½	100
Dom. Textile	4½	'55	...	...	106
†Donnacona P.	3-4-4½	'56	81	84	80½
†Eastern Dairies	6	'49	80½	83½	80
†Famous Players	4½	'51	99½	102½	99
†Federal Grain	6	'49	99½	102½	98½
†Fraser Cos.	6	'50	101½	104½	102
†Gen. Steel W.	6	'52	103½	106½	103½
Gt. Lakes Pap.	5	'55	86	89	82
†Gypsum, L.&A.	5½	'48	102	105	102
Hamilton Cot.	5½	'48	...	...	103
*Ham. By-Prod. Coke	5	'55	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	98	101	97½
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter. City Bak.	5½	'48	103½	106½	103
Inter-City West. Bakeries	6½	'50	53	56	53
†Kingston Elev.	6	'50	98	101	97½
†Lake St. John P. & P.	6½	'47	125½	128½	124½
†Do.	6	'42	105½	108½	105
†Maple L. Mill.	5½	'49	80	83	81
†Massey-Harris.	5	'47	94	97	94½
†McColl-Front.	6	'49	103½	106½	103
†Mersey Paper	6	'49	98½	101½	99
*Minn. & Ont. P.	6	'45	54½	57½	51½
Mtl. Dry Docks	6	'48	93	96	90½
*Prov. Paper	5½	'47	103	106	103
Queen's Hotel.	6	'47	98	101	98
*Reliance Grain.	6	'48	104½	107½	104½
†Restigouche Co.	6	'48	109½	112½	109½
†Rolland Paper.	4½	'51	102½	105½	102½
†Smith, Howard	4½	'51	101½	104½	101½
†Steel of Can.	6	'40	112½	115½	112½
Twin City	5½	'52	94	97	94½
United Amuse.	5	'56	99	102	99
Unit. Grain Gr.	5	'48●	95	98	95½
Do.	5½	'49	96½	99½	96½
Union Gas	4½	'43-'50	98	101	98

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Mines

December 15, 1936

	Bid	Asked
Admiral	.32	.34
Albany River	1.00	1.05
Algold	.45	.48
Algoma Summit	..	1.95
Ardeen	.07	.10
Arrowhead	.45	.48
Area	.03½	.04½
Athona	..	.25
Big Long Lac	.10½	.11½
Big Master	.19	.20
B.E.A.R.	.29	.32
Blue Star	..	.25
Bousquet Gold	.07½	.08½
Brae Breest	.20	.22
Brengold	.25	.28
Bilmac	.23	.26
Bailor	.06	.06½
Bathurst	..	.04½
Beresford L.	.62	.65
Calder Bosquet	.35	.38
Callinan Flin Flon	.09½	.11
Canadian Pandora	.23	.24
Candalaca	.40	.42
Centrecour	.21	.23
Colonial	.35	.38
Coin Lake	.20	.23
Columario (new)	.02½	.03
Cuniptau	.14	.15
Continental Kirk.	.28	.30
Casey Summit	.20	.25
Cres. Kirkland	.25	.28
Casey Contact	.03½	.04½
Condor	.07	.08
De Santis (new)	..	.66
Derlak	.23	.25
Dona Pat	.36	.39
Darwin	.40	.43
Demp Cad.	.34	.36
Don Martic	.26	.28
Dunlop (new)	.20	.21
Doreva	.75	.80
Dupont Hodgson	..	.17
Delwood	.23	.25
Eva Lake	.14	.16
Empress Cons.	.84	.86
Franklin	.02	.02½
Falkenham	.39	.42
Forty Four	2.50	3.00
Frontier R. Lake	.16	.19
Galateas	.05	.06
Garnet	.09	.10
Gateway Pat.	.12	.15
Gillies Lake	.57	.60
Gold Eagle	..	.75
Goldside	.08	.09
Golden Gate	.40	.43
Gordon Lebel	.20	.22
Gilbec	.06½	.07
Hayes Cadillac	.25	.27
Holtyrex	.05½	.06½
Horseshoe	.13½	.14½
Hudson Patricia	.11½	.13
Hugh Pam.	.22	.25
Hutchison Lake	.22½	.24
Jellicoe	.37	.40
Johnson Nipigon	.06	.07
Kaw Crow	.15	.18
Kenecho	.14	.16
Kenricia	.79	.81
Keora	.07	.08
Kirk King	.22	.25
Kerr Addison	.26	.27
King Kirk	.04½	.04¾
Kirkgood	.22	.25
Kirk Gold Belt	.17	.19
Lamaque	7.75	8.25
Lafayette	.04	.04½
Lapa Cadillac	.98	1.01
Leitch Gold	..	.70
Lake Rose	..	.35
Malartic	.38	.40
McFarlane	.05½	.06½
Manitoba Basin (new)	..	.03
Margaret	.28	.32
Madsen Red L.	1.48	1.52
Magnet Lake	..	.11
Martin McNeely	.07	.08
Matachewan Can.	.17	.20
McCarthy Webb	.45	.47
Mosher	.44	.47
Murmac	.09	.10
Martin Bird	.28	.29
Mooshla	.63	.65
Monarch Mines	.39	.41
McVittie Kirk.	.06	.07
Maritime	.44	.46
North Shores	.04	.04½
Naybob	.55	.60
Old Diamond	.41	.44
Oklend	.52	.55
O'Leary	.17½	.18½
Opemiska Cap.	..	.70
Oriole	.09	.10
Oremond	..	.25
Ossian	.14	.15
Porcupine Gold R.	.02	.03
Porcupine Lake	.53	.56
Porcupine Triumph	.16	.18
Pascalis	.48	.51
Porquin	..	.19
Pandora Cadillac	1.10	1.15
Red Crest	2.10	2.20
Richmac	.38	.40

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

December 15, 1936

Industrial Stocks:	Bid	Asked
[illegible]		
Great Lakes Paper com.	11.00	11.50
Do., pfd.	26.00	26.50
Greening Wire pfd.	...	111.00
Guelph Carpet pfd.	105.50	106.50
Do., com.	23.25	24.50
Hayes Steel Prod. com.	5.25	...
Do., pfd.	7.00	9.50
Highland Dairy com.	3.60	4.00
Do., pfd.	...	84.00
Inter City Bak. com.	36.00	39.00
Inter. Met. Indust. A pfd.	80.00	82.50
N. Meth. Laund. pfd. bonus	82.00	...
Provincial Paper pfd.	106.00	107.00
Reliance Grain com.	7.00	8.00
Do., pfd.	95.25	97.00
Rob. Consol. Cone	9.75	10.25
Ruddy, E. L., pfd.	37.00	40.00
Standard Fuel com.	9.25	10.50
Do., pfd.	106.25	108.50
Supert. Petroleum B pfd.	27.25	28.00
United Steel A pfd.	13.75	...
Western Grain pfd. bonus	10.00	12.50
Wings Limited	2.70	2.85
Trust and Loan Stocks:		
Chartered Trust	86.00	...
Commercial Finance c.	2.50	3.00
Debenture Co. of Can.	16.00	...
Guelph Ont. Inv. par $50	48.00	50.75
London & West. Trust	55.00	55.00
Sterling Trust	33.00	...
Traders Fin. Inc. Rts.	11.00	...
Do., B pfd. bonus	86.00	...
Trusts & Guarantee	...	32.00
Insurance Stocks:		
British America	51.00	...
Canada Life	530.00	545.00
Canadian Fire	75.00	...
Canadian Ins. Shares	12.50	15.00
Confed. Life 20% pd.	112.00	115.00
Cont. Life 20% pd.	38.00	44.00
Crown Life 100% pd.	150.00	...
Dominion Fire	135.00	...
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	118.00	125.00
Empire Life 25% pd.	7.50	8.60
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	40.00	...
Fidelity Ins. of Can.	45.00	...
Great West Life	360.00	375.00
Guar. of N.A. fully pd.	280.00	...
Halifax Fire	23.25	24.25
Imperial Life	360.00	...
Manufacturers Life	245.00	255.00
Monarch Life 10% pd.	20.00	21.75
National Life 25% pd.	...	48.50
Sovereign Life 25% pd.	15.00	...
Sun Life	615.00	630.00
Toronto General Ins.	5.25	6.00
Western Assurance com.	46.00	...
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Beach pfd.	67.00	70.00
Do., Kingston pfd.	61.00	...
Do., Parkdale pfd.	71.00	...
Do., Toronto pfd. bonus c.	30.00	35.00
Eastern Theatres pfd.	72.00	76.00
Loew's Buffalo pfd.	3.50	4.00
Do., London pfd.	2.75	3.00
Do., Toronto pfd.	116.00	...
Mansfield Theatre pfd.	32.00	...
Paramount Kitchener pfd.	51.00	...
Do., Oshawa pfd.	86.00	...
United Amusement A	20.00	...
Do., B	18.00	...
Investment Trust Shares:		
Can. Gen. Invest.	...	10.75
Can. Int. Inv. Trust Units.	103.50	...
Can. Investors Corp.	9.25	9.75
Cons. Div. Std. Sec. Units	18.50	19.50
Corporate Investors	...	8.00
Dom. Scottish Inv. Units	44.00	46.00
Invest. Foundation Units	64.00	68.00
Sec. Holding Units	24.00	25.50
Third Can. Gen. Inv. Trust	2.00	...
United Corpns. A	26.75	27.50
Do., B	18.75	19.50
Power Issues:		
Calgary Power pfd.	77.00	79.00
Can. West. Nat. Gas pfd.	87.50	89.50
Do., com.	24.00	27.00
Great Lakes Power pfd.	99.00	...
Inter. Util. 1.75 pfd.	12.50	13.50
Do., 7.00 pfd.	95.00	98.50
Montreal Island Pwr. pfd.	15.25	...
Nor. Ont. Power pfd.	103.50	105.00
Nova Scotia L. & P. pfd.	104.50	106.00

Winnipeg Stocks

(Transactions from Dec. 7 to Dec. 12)

	Sales	High for period	Low for period	Close Dec. 12
Cres. Cream., p.	3	36.00	36.00	36.00
Cryderman	12,000	.02½	.02½	.02½
Dom. Envel.	20	1.00	1.00	1.00
Do., pref.	10	95.00	95.00	95.00
Flin Flon	14,650	.25	.18	.20
Gt. Falls M.	8,500	.10	.07½	.10
Herb Lake	494	.16	.16	.16
Gold Lake	80,600	.06½	.04½	.05
Gurney Gold	7,200	.54½	.53	.53
Island Lake	4,500	.04	.03½	.03½
Ore Grande	4,000	.18	.17½	.18
Oxford M.	400	.60	.60	.60
Optic Lake	125	1.40	1.20	1.20
Marvel Oils	8,400	.08	.07½	.07½
Star Lake	7,000	.02	.02	.02
Packsack	3,600	.26	.25	.25
Sachigo River	80	18.00	18.00	18.00
Traders Bldg.	4	85.00	85.00	85.00
Wingold	4,300	.08	.05	.08
Wings Ltd.	1,850	2.60	2.40	2.60
Wpg. R. Tin	5,500	.01½	.01½	.01½
Wallace Lake	4,500	.02	.01½	.02
Wylie Dom.	500	.44	.44	.44
West. Brew.	600	1.40	1.25	1.25

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10..
Home Invest.	..	20
Northern Mtge., part pd.	..	3½
North. Can. Mtge., pf.	4	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended Dec. 14, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50¾	50½	51½	50
McNish	6	'48	3.85	3.80	4.00	3.00

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	114.00	115.50	4.06
Hamilton	5	1950	111.00	113.00	3.74
Montreal	5	1945	104.50	106.50	4.08
Ottawa	4½	1945	109.00	111.00	3.06
†Quebec	5	1959	106.00	107.50	4.47
Saint John	5	1950	107.00	108.50	4.19
†Toronto	4½	1955	112.00	114.00	3.4[illegible]
†Vancouver	5	1950	88.00	93.00	5.73
Winnipeg	5	1944	98.00	101.00	4.83

†Payable Can. and N.Y.

UNLISTED MINES—(Continued)

	Bid	Asked
Roeanor	.20	.22
Rouyn Reward	.08½	.09
Rubec	.53	.54
Sand River	.23	.27
Schreiber	.11	.13
Skookum	.23	.26
Smelter Gold	.10½	.11
South Keora	..	.13
Spooner	.21	.24
Springer	.13	.16
Sturgeon R. Gold	.45	.48
Shenango	.27	.28
Siscoe Ex.	.45	.48
Slave Lake	3.20	3.40
Tonawanda	.15	.16
Upper Can.	.45	.48
Wendigo	.29	.32
West-Side	.09½	.10½
W. Red Lake	.08	.09
White Horse	.16	.19
Winoga	.43	.46
Young Davidson	.15	.20
Young Shannon	.16	.19
Ypres Cadillac	.21	.23
Wood Cadillac	.33	[illegible]

Week in Wheat

European Need Sends Wheat Price Upward

Reports from Germany and Italy Indicate New Demand — Winnipeg Buying Holds Five-cent Jump

From Our Own Correspondent

WINNIPEG.—Impact of bullish news on a receptive market caused a big bulge upward in wheat markets the world over at the beginning of the week. German wheat buying was begun on a very substantial scale, and reports heard of admitted needs up to 37 million bushels or more than six times what had previously been estimated.

At the rate at which Italian needs are developing, and French needs expected to develop, the current crop year may see 100 million bushels taken in three countries not long ago thought to be self-sufficient.

In spite of Tuesday's five-cent rise in prices, fresh buying was brought into the market.

On this last, as on other recent advances, Liverpool led the way, indicating no attempt on the part of Winnipeg to get out of line with other markets. The Wheat Board is supposed to have got rid of a fair quantity of wheat this week, and to have continued a policy of steady selling from recent weeks.

Coarse grains, largely under the influence of United States corn, which now holds well over the dollar mark for all deliveries, advanced in sympathy with wheat.

U. S. Buying in Canada

Nervousness in the United States over condition of the winter wheat crop is responsible for some of the market strength of the past week.

Much of the crop is reported to have made unsatisfactory growth before freeze-up, and such grain is considered to be highly vulnerable to unfavorable weather that may prevail before the growing season recommences next spring. Lack of sub-soil moisture reserves is thought to be dangerous to the prospects of the crop.

It would be theoretically possible for much of the handicap to be overcome by extremely favorable weather in the spring, but such a result would not correspond with past experience.

United States buying of Canadian wheat has been resumed on a considerable scale. Millers, it is said, are taking note of the increased quantities of wheat which are beginning to be fed in some areas, and are revising upward the extent of their probable requirements of Canadian wheat. In addition they are observing the strong overseas demand for Canadian supplies.

Fourteen per cent protein hard spring wheat has lately been selling on the Minneapolis market at up to $1.55 per bushel, a basis which makes Canadian hard wheat, even with a 42-cent duty, a better buy in many areas.

* * *

Lakehead Store Small

Departure of the last grain boats from the head of the lakes before close of navigation left under 10 million bushels of wheat in store there, the smallest quantity in 10 years. One or two vessels have taken on cargoes for winter storage at the head of the lakes, but the total quantity so handled this winter will be small. With most of the elevator storage bins completely empty, there is no necessity for such storage.

* * *

Australian Sales

Extensive purchases of new Australian wheat by both China and Japan are reported. The probable Oriental demand is now put much higher than was the case a few months ago.

Not for years have advance sales of Canadian wheat been made so far ahead as is now the case. Heavy bookings both of wheat and of freight space have been made up to the end of next June, with negotiations constantly in progress between exporters on this side and importers overseas for sales as far ahead as next July.

One factor in the advance bookings is a rising tendency in ocean freight rates, and a fear on the part of shippers that they may have to pay higher prices for space if they delay bookings.

* * *

Barley Prices Better

Barley prices strengthened during the past week, with the December delivery going to a premium over May of some eight cents a bushel. To some extent a technical position is credited with influencing the latter development, for only limited quantities of barley are available at the head of the lakes for delivery against hedging sales against grain scattered in small parcels in the country. But a strong cash demand evidently exists, with malting barley again reaching over 95 cents a bushel, and feed grades over 75 cents.

* * *

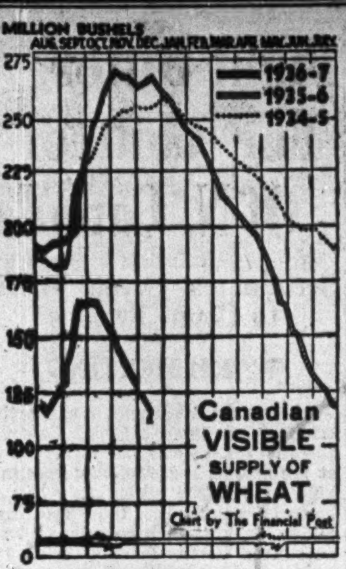
Argentine Removes Peg

THE Argentine Government has announced that minimum guaranteed prices for new crops are to be withdrawn for both wheat and linseed.

* * *

Must Feed Wheat

THE short corn crop in the United States continues to be a dominant factor behind higher wheat prices both in that country and the rest of the world. Until the present time corn consumed across the line has been that of the 1935 crop. For the next 12 months the new crop will come into the picture and with its coming also the realization of just how short that crop really is. Compared with an average of 2,500 million bushels, this year's crop only amounted to 1,500 millions. With corn selling in the central states close to the price of wheat, it is expected that much low-grade wheat may be used as feed. As a result feed consumption of wheat is expected to rise perhaps 50 million bushels, an important factor in the Canadian export situation.



DROPPING FAST

A slump in country deliveries of grain in Western Canada due to severe weather conditions, coupled with continuous heavy selling, have combined to lower sharply total supply of Canadian wheat in marketable positions. To reduce this carryover to 40 million bushels, or to what was considered a normal amount prior to the accumulation policy, export clearances of only a little over three million bushels for the rest of the crop year are needed.

Canadian Visible

Week of Dec. 11	Week Previous	Last Year
116,481,000	120,053,000	268,456,000

Export Clearances*

Week of Dec. 11	Week Previous	Last Year
4,276,555	6,680,971	4,470,565

*Plus U. S. imports.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1936, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1937, to shareholders of record of the 19th December, 1936.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 13th November, 1936.

The Wabasso Cotton Company Limited

NOTICE OF DIVIDEND

A dividend of Twenty-five cents per share has been declared on the Capital Stock of The Wabasso Cotton Company Limited, payable 2nd January, 1937, to stockholders of record at the close of business on 19th December, 1936.

By order of the Board.
H. W. CAPEL,
Secretary-Treasurer.
Montreal, Que.
December 10th, 1936.

Little Long Lac Gold Mines Limited

25 King St. W., Toronto, Ont.
DIVIDEND NOTICE
Dividend No. 4

Notice is hereby given that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on January 15, 1937, to shareholders of record at the close of business on December 28, 1936.

By order of the Board.
L. A. MACDONALD,
Secretary-Treasurer.
December 11, 1936.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1936, payable January 2, 1937, to shareholders of record at the close of business December 15, 1936.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
November 26, 1936.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1937,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 14th day of January, 1937, at 11 o'clock a.m.

S. G. DOBSON,
General Manager.
Montreal, December 1, 1936.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 8th December, 1936.

THE CANADIAN BANK OF COMMERCE

The Annual Meeting of the Shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 12th day of January next. The Chair will be taken at 11.30 o'clock a.m.

By order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 20th November, 1936.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1937, to Shareholders of record as at close of business December 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

DIVIDEND NOTICES

Brazilian Traction, Light and Power Company, Limited

Notice is hereby given that the Board of Directors of this Company has declared a dividend of 40 cents per share on the Company's issued Ordinary Shares of no par value, payable on 30th January, 1937, to shareholders of record on the registers at the close of business on the 26th December, 1936. Payment of this dividend to non-residents of Canada will be subject to deduction of the Canadian Income Tax of 5 per cent.

DATED at Toronto, Canada, the 10th day of December, 1936.

By Order of the Board,
A. W. ADAMS,
Secretary.

NOTE: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada.

The Company's London Agents are Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C.2, England.

United Securities Limited

Notice is hereby given that a dividend of fifty (50c) cents per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1936, payable January 15th, 1937, to shareholders of record December 26th, 1936.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, December 14, 1936.

The Canadian Light and Power Company

Notice is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1936, payable January 15th, 1937, to shareholders of record December 31st, 1936.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, December 14, 1936.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record December 31st, 1936, payable January 15th, 1937.

SHARE WARRANT holders will present Coupon No. 34 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.
E. M. STRAIN,
Secretary.
320 Bay St., Toronto, Ont.

West Asks Wheat Price Guarantee As Ottawa Plans to End Control

Grain Enquiry Uncovers Demand for Government Regulation

DWELLING ON PAST

From Our Own Correspondent

SASKATOON.—Demand by the western farmer for continuance of a Government guaranteed price for wheat, regardless of market value, has already been uncovered by the Turgeon Royal Commission which is entering the second phase of its grain enquiry here.

That demand arises largely from the troubles farmers have had to bear during recent years, as a result of low prices and of short crops. But it also evidently arises from the taste farmers had in 1935-36 of a guaranteed price, when they received a basic price of 87½ cents per bushel during months when the market was below that figure.

Wheat Board Wanted

A wheat board is wanted, on the basis of evidence so far presented, but not primarily as offering a different market system from that which has prevailed. The demand for the Wheat Board represents rather a desire to have maintained machinery through which the Government, at whatever necessary cost to the treasury, will guarantee the desired level of prices.

The background of the wheat picture so far painted before the commission is a sombre one, much darker, one would suppose, than the completed picture is likely to be. Emphasis has been laid on the troubles of the past. The improved European demand this year, higher prices, Canada's increasing share of the world market and the decrease of Canadian and world carryovers, if not entirely unknown, are as yet unstressed.

European Markets

The gloom of the picture has been intensified by the emphasis that has been laid on Continental Europe as a market for Canadian wheat and the filing of extensive information on trade barriers, including tariffs, quotas, milling restrictions, exchange controls, and the inability of European countries to export goods.

Much has been heard of the Canadian tariff, and certainly much more will be heard. The line of attack is two-fold. The tariff, it has been alleged by a Wheat Board officer, and presumably with the full support of the Wheat Board, has made it impossible for Europe to ship to Canada the goods that would have paid for Canadian wheat. In the second place the tariff has increased the cost of producing wheat on Western farms.

It will be surprising if, out of the commission, there does not develop a tariff controversy which will put former arguments in the shade.

Governmental Control

The wheat pools and the rest of the grain trade are expected to lock horns sooner or later on the pool's proposals for monopolistic Government marketing of grain. World economy is changing, one side may say, and Government controls are superseding freedom. The only way to meet the situation is to have more control in Canada. The other side can argue that depression not only brought but has been intensified by the controls and that Canada should try to get the world back on to the basis of individual trade.

Saint John Cargo Tonnage Shows Gain Over Last Year

From Our Own Correspondent

MONTREAL.—Cargo tonnage handled at the port of Saint John during November amounted to 67,552.

For the first 11 months of 1936, cumulative imports totalled 592,398 tons, exports 856,935 tons, a total of nearly 1.5 million tons. For the corresponding period of 1935 imports aggregated 550,896 tons, exports 702,859 tons, making a total of over 1.2 million tons.

DIVIDEND NOTICES

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 2nd January, 1937, to Shareholders of record 16th December, 1936:

Preferred Stock: 1¼%, (being at the rate of 5% per annum.)

Common Stock: 1½%, (being at the rate of 6% per annum.)

The transfer books will not be closed.

By Order of the Board,
F. W. FEE,
Secretary.
Ottawa, 11th December, 1936.

NOTICE

The Hydro-Electric Power Commission of Ontario

Notice of Redemption

To the Holders of:

3½-4-5 per cent Twenty Year Debentures of The Hydro-Electric Power Commission of Ontario dated 1st October, 1932, and due 1st October, 1952, issued under the authority of The Power Commission Act and amendments and of Order-in-Council passed the 11th day of October, 1932, and guaranteed by the Province of Ontario.

NOTICE is hereby given that pursuant to the terms and conditions of said Debentures The Hydro-Electric Power Commission of Ontario will on the FIRST DAY OF APRIL, 1937, redeem all its said 3½-4-5 Per Cent Twenty-Year Debentures then outstanding by paying the principal of the same with accrued interest on the said principal to the said First day of April, 1937, at the principal offices of the Bank of Montreal in Toronto, Montreal, Winnipeg, Regina, Calgary, Vancouver, Halifax and St. John, in the Dominion of Canada, at the holder's option, on presentation and surrender of the said Debentures with the coupons appertaining thereto which mature on and after the First day of April, 1937.

NOTICE IS ALSO GIVEN that pursuant to the terms and conditions of the said Debentures all interest on such Debentures shall cease from and after the said redemption date, namely the First day of April, 1937, and coupons for interest to accrue after said date upon the said Debentures shall become and be void.

Dated at Toronto, Canada, the 10th day of December, 1936.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
A. MURRAY McCRIMMON,
Secretary and Controller.

Federal Grading Plan Proposed

Reorganization of the Federal Department of Agriculture and establishment of a special markets branch with representatives in all export markets is proposed by Hon. J. G. Gardiner, The Financial Post learns.

The minister, it is understood, is also planning a uniform system of grading under Federal control.

At present several of the provinces look after part of the grading which goes on within their borders. Strictly speaking, Federal grading can only be extended to those products which are exported or are shipped from one province to another.

The proposal, it is understood, may meet opposition from Quebec and British Columbia.

Flour Exports Drop Sharply

At Lowest Point in Years But Wheat Forges Ahead

After making considerable headway early in the year and again last fall Canadian flour export fell off sharply in November. The drop from the same month a year ago was fully 25%. Revived competition from United Kingdom millers, particularly in the West Indies and Newfoundland fields are believed largely responsible.

Since the close of November, however, it is understood that export selling has quickly revived and while advancing prices have checked this comeback to some extent, total volume for December, it is expected, will be much more satisfactory.

Prices which averaged almost $4.75 per barrel during the month, however, are the best since before the depression. They are up more than 50 cents from 1935. For the year ended in November total volume of shipments is up slightly from 1935, but is substantially below the record of the two previous years.

November	Average Price	Barrels	Total Value
1936	$4.74	408,650	$1,939,289
1935	4.22	525,368	2,217,925
1934	3.93	504,384	1,982,803
1933	3.44	547,602	1,882,856
Oct., 1936 ...	4.54	464,013	2,108,920
12 Months Ended November			
1936	$4.18	4,818,614	$20,143,033
1935	3.85	4,777,980	18,431,572
1934	3.61	5,131,164	18,551,710
1933	3.38	5,644,274	19,080,103

Wheat exports present an entirely different picture. Here prices and volume have been running materially higher than the record of recent years with a gain of 25% in volume over Nov., 1935, and a similar advance in price. For the 12 months ended Nov., 1936, gain in volume was almost 50% to approximately 250 million bushels.

Wheat Exports

November	Average Price	Barrels	Total Value
1936	$1.09	33,308,840	$36,620,971
1935	.81	26,575,296	21,742,851
1934	.78	18,769,770	14,744,938
1933	.66	23,143,958	15,298,768
Oct., 1936 ...	1.07	26,979,096	28,949,549
12 Months Ended November			
1936	$0.90	239,657,496	$217,692,764
1935	.82	165,964,995	136,886,229
1934	.76	168,034,812	129,052,544
1933	.62	202,552,897	125,892,202

Shareholders of Wings Ltd. Approve Increased Capital

Shareholders of Wings Ltd. at a special meeting in Winnipeg have approved unanimously an increase in the authorized capital of the company from 200,000 to 400,000 shares.

M. E. Ashton, general manager, explained to shareholders that additional capital would be used to strengthen the financial position of the company and to provide additional equipment to take care of expanding business.

He stated that in the six months ended Oct. 31, 1936, the company's airplanes carried 6,670 passengers and over 1.5 million pounds of freight. In the whole year 1935 the company's aircraft carried 7,765 passengers and over 2.1 million pounds of freight.

The company now has business booked and in sight sufficient to keep its present fleet of 11 airplanes busy until spring, Mr. Ashton said.

Abolition of Controlled Production, Aim of Farm Policy

LOWERED COSTS

From Our Own Correspondent

OTTAWA.—The farm marketing policy of the present Government was set forth lucidly at the conference of provincial and Dominion authorities. It involves an abandonment of the "planned scarcity" doctrines and the coercive measures associated with the National Products Marketing Act and similar legislation.

In the place of regulated production and distribution, Hon. J. G. Gardiner is offering the following policy:

1. Help the farmer to lower his production costs.
2. Reduce the "spread" by better marketing and distribution methods.

Study of Markets

3. Study the markets at home and abroad, and produce what they want.
4. Maintain quality.
5. Maintain continuity of supply.
6. Follow a fiscal policy which will make it possible for external customers to secure exchange with which to buy Canadian farm products.

These are to be the cardinal and guiding principles of the Gardiner administration in agriculture, The Financial Post is advised.

No matter what fate the Natural Products Marketing Act had met in the courts, it would not have been permitted to thrive under the present Government, which has no faith in the theory that a market is a fixed thing which can be planned for in advance and catered to by means of carefully regulated production and distribution.

Markets Flexible

Rather the theory of the present minister of agriculture is that markets for Canadian agriculture products are flexible, to a considerable extent, and that by following the right methods they can be enlarged substantially.

He believes that a considerable part of the world is undernourished because of its incapacity to buy under present conditions and at present prices.

Anything which enables the Canadian farmer to produce a better product at a lower price, and eliminates some of the present waste in distribution, automatically broadens the demand and increases the volume of sales, Mr. Gardiner believes.

A strengthening of his department on the export side, and assistance to farmer co-operatives, are among the steps which will be taken in the early future to express this new policy.

What's What In Advertising

By TORY FLEMING

Murray and Lanman's Florida Water is to be advertised in Canada under the direction of the Tandy Advertising Agency, Toronto. Instructions will be sent out early in January for a newspaper schedule in principal cities. Makers are Lanman & Kemp-Barclay & Co.

* * *

Advertising men throughout the Empire are invited to the Coronation Year Convention of the Advertising Association, England, scheduled for June 12-16 at Brighton. In fact, the meeting is styled an Empire Convention. Sessions will be held in the famous Royal Pavillion, built by Georve IV when Prince of Wales, and the whole of the state apartments have been turned over to the association. Sir Josiah Stamp, internationally known economist and banker, is president of the association this year and will preside at the meetings.

* * *

Young & Rubicam, Montreal, have been appointed to direct advertising for Johnson & Johnson Ltd., makers of Modess, Drybak corn-plasters and other products.

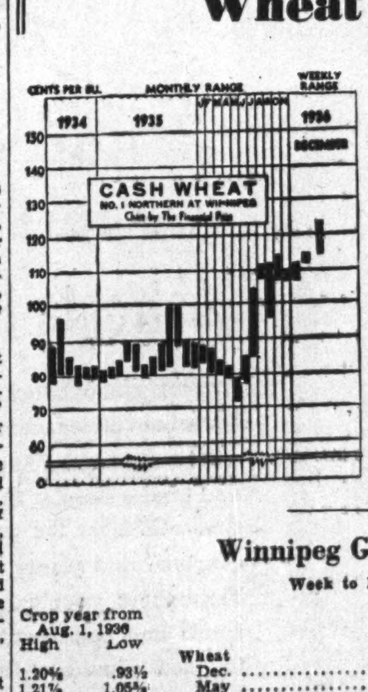
* * *

Tuckett Tobacco Co., Hamilton, Ont., has appointed the MacLaren Advertising Co. as advertising agents.

* * *

C. V. Collins, of the MacLaren Advertising Co., Toronto, died in that city Dec. 13. He was widely known as a commercial artist.

Wheat Prices



(Cash Quotations)

	For Week Dec. 15 High	Low	Prev. Week High	Low
1 Man. Hard ...	1.21⅛	1.14⅞	1.14⅜	1.12⅞
1 Northern	1.21⅛	1.14⅞	1.14⅜	1.12⅜
2 Northern	1.16⅜	1.11⅞	1.10⅞	1.10⅛
3 Northern	1.16⅛	1.08⅞	1.07⅞	1.06⅜
4 Northern	1.12⅜	1.06⅜	1.05⅜	1.04⅛
5 Wheat	1.07⅜	1.01⅜	1.00⅜	.99⅛
6 Wheat	1.03⅜	.97⅜	.96½	.95⅛
Feed Wheat	.88⅜	.82½	.83⅜	.79⅛
Vancouver: Week to Dec. 12:				
1 Northern	1.16⅞	1.13⅞	1.14½	1.12⅜

Competitive Export Prices: Dec. shipment.

Week to Dec. 12	High	Low
No. 1 North. (Vanc.) ...	1.41⅜	1.37
No. 2 North. (Atlan.) ...	1.40⅛	1.36¼
No. 2 North. (Vanc.) ...	unquoted	
Danubian	unquoted	
Australian (afloat)	unquoted	
Australian*	1.36¼	1.29⅜
Argentine Rosafe†	1.17⅞	1.13⅛
Indian (choice Karachi) .	1.32½	1.28⅜

†Jan.-Feb. *Dec.-Jan.

Winnipeg Grain Futures

Week to Dec. 15, 1936

Crop year from Aug. 1, 1936 High	Low		Open Dec. 9	High for week	Low for week	Close Dec. 15
		Wheat				
1.20⅜	.93½	Dec.	1.12⅜	1.20⅜	1.12⅞	1.20⅜
1.21⅞	1.05⅜	May	1.14⅜	1.21⅞	1.14⅜	1.21⅞
1.19⅛	1.03¾	July	1.12¾	1.19⅛	1.12	1.19⅛
		Oats				
.52⅜	.41¼	Dec.	.49	.52⅜	.49	.52⅛
.53	.42¼	May	.48¾	.53	.46⅜	.52
.51¼	.43⅜	July	.47½	.51¼	.47¼	.50⅜
		Barley				
.80⅞	.50¼	Dec.	.63½	.80⅞	.68½	.80⅜
.73	.50⅞	May	.65¼	.73	.63⅛	.72⅜
.70	.56¾	July	.62¼	.70	.63⅛	.69⅜
		Flax				
1.88	1.56	Dec.	1.64	1.72¼	1.64	1.72
1.75¾	1.60½	May	1.67	1.75¼	1.68¾	1.75¼
1.74½	1.63¼	July	....	1.74½	1.63	1.74¼
		Rye				
.86⅞	.61¾	Dec.	.88¾	.95⅛	.88½	.95⅛
.87⅜	.62⅜	May	.87¼	.95⅜	.86⅛	.95⅜
.88½	.78¼	July	.85⅜	.93⅜	.85	.93⅜

Dust Storms in Kansas Menace Big Wheat Area

Dust storms in Kansas already indicate a deficiency in moisture in that state where a record winter wheat acreage has been seeded. Growth has not been killed but with each successive day of dry weather and drying winds, chances of survival throughout the winter lessen. Danger is most apparent in the western half of the state. Kansas wheat acreage this fall is estimated at approximately 16 million acres.

Fall weather in both the United States and Western Canadian spring wheat belts, continues very dry

Obituaries

C. A. C. Bruce, retired manager of the Newfoundland branch, Canada Life Assurance Co., at St. John's, Newfoundland. He was 68.

Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

Northern Elevator Company Limited
Incorporated 1893
OLDEST ESTABLISHED GRAIN FIRM IN CANADA
40 YEARS OF CONTINUOUS PUBLIC SERVICE
Head Office:
GRAIN EXCHANGE — WINNIPEG, MAN.

From Wagon to Sea-Board —
Fair and Efficient dealing is the "A.P." Standard of Service.
The ALBERTA PACIFIC GRAIN COMPANY Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

Bank Service for Christmas
Three seasonable suggestions are offered by Imperial Bank of Canada as follow:
FIRST—Open a savings account for your son (or your daughter) and present him (or her) with a pass book as one of your Christmas gifts. A deposit of any amount from one dollar up enables you to do this. If by this means you inaugurate a habit of systematic saving you have presented something more than mere money will buy—a good influence for life.
SECOND—Deposit Christmas cheques and Christmas bonuses in a savings account with this bank. Thus your Christmas wealth will be carried forward into the New Year whereas a cheque cashed is a cheque spent.
THIRD—When sending money away as Christmas gifts, drop into the nearest branch of this bank and buy a Bank money order. The recipient will have no exchange to pay and may cash it anywhere.
With the Compliments of the Season
77
IMPERIAL BANK OF CANADA
HEAD OFFICE-TORONTO
BRANCHES THROUGHOUT CANADA

Week in Mining

Trading Still Selective As Market Drop Checked

Several Junior Issues Under Strong Accumulation — Base Metals Remain Firm

Shaking off the psychological factors which had caused the gentle decline in most issues, mining markets in the past few days have come back strong. As reported last week, no reasonable explanation could be found for the decline. The recovery also lacks explanation, except for a general feeling of relief that the British constitutional crisis is apparently settled.

On the whole, it is still a selective mining market, with individual action attracting attention, rather than general trends.

Base metals have been strong, as the metal outlook still remains promising. In the gold stocks, Central Patricia was strong, as were the various Malartic issues, Sladen and East Malartic and Darkwater. Brokers report some heavy buying in the Malartic stocks.

Rubec Dilemma

JUDGING from the enquiries received at this office, holders of Rubec stock are torn between a desire to sell short, to get out at all costs or to "average up." This indicates the striking conflict of opinion over this issue. Rumors of all kinds continue to circulate and, lacking any kind of confirmation, they would be best ignored entirely. It is, for instance, impossible to confirm the story that the No. 20 drill core assayed higher than ever, and it is equally impossible to see why anyone would give credence to such a report in view of the fact that no results are being given out until after the investigation by Colin Campbell, for the Ontario Securities Commissioner, has been completed.

Such a newstight situation provides a Roman holiday for the rumormonger.

* * *

Ardeen Bankrupt

ALTHOUGH it was known that recent results had been most unsatisfactory at Ardeen Gold Mines, in the Thunder Bay district, the curt announcement of bankruptcy must have come as a shock to a good many shareholders, inasmuch as reports of refinancing possibilities had been fairly widely accepted. It is too early yet, of course, to estimate what the creditors will get, or the shareholders (if anything), inasmuch as the appraisers representing the official custodian are still, at time of writing, on the property.

Ardeen was formerly the Moss Gold Mines, which went into receivership in Sept., 1933. The property itself has been worked intermittently since 1883. While production under new company, carried on since Nov., 1935, was probably unprofitable, work this summer on the lower levels was understood to have been encouraging.

Trade debts are understood to have reached $21,000, and advances from directors $75,000, most of which came from Henry G. White, president.

* * *

Pamour's Grade

A TORONTO morning paper throws doubt on published figures covering the grade at Pamour Porcupine, and states: "The facts are that at no time since the mill started have heads run below $6.30, and from that figure have ranged upward to over $7 per ton."

Unfortunately for this view, Government production figures show it to be false. The mill at Pamour started in May of this year. To the end of June, recovery per ton, with gold at $35 per ounce, was $5.04. In the quarter ended Sept. 30, 1936, recovery per ton was $5.79. Unless, therefore, the mill is inefficient to an improbable degree, it seems most unlikely that millheads would be over $6.30 per ton.

There appears to be in Toronto a group of men who are determined, from their offices on Bay St., to make a high-grade proposition of Pamour. Indications are, however, that Pamour will be able to make its sponsors, Noranda Mines, a comfortable enough profit at present grade. The management has never attempted to picture this property as anything else but a fairly low-grade producer, and accordingly planned from the first to make a large tonnage proposition. With an increase in capacity to 1,000 tons on the programme, Pamour is a remarkable enough achievement as it is, without distorting the grade of the ore.

* * *

Value of Assets

MOST of the argument which took place at the annual meeting of Northern Canada Mining Corp. centred around personalities in doubtful taste, and, while probably adding to the entertainment of shareholders, contributed little to the clarification of the company's problems.

One incident, however, was interesting, inasmuch as it indicated how erroneous an impression many laymen have of the objects and functions of the balance sheet.

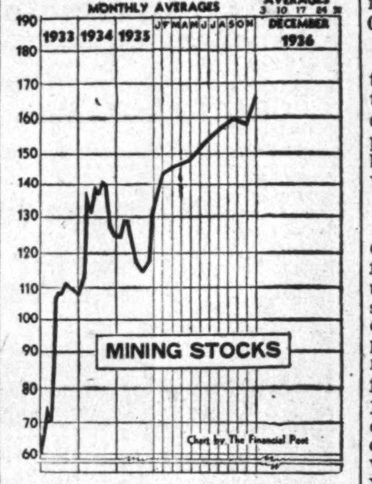
One shareholder (a lawyer), rose to point out that the "value" of the corporation investments, as shown in the balance sheet, had dropped from $2,071,548 at the end of 1931 to $1,852,364 as at Sept. 30, 1936. He argued that this indicated inefficient management.

It was pointed out to him that this was the book value of investments only, less reserve, and that the market valuation had risen considerably.

"Then why issue a balance sheet at all?" he replied.

An amazing majority of laymen appear to feel that a balance sheet is a statement of value, in the sense of liquidation value. As a matter of fact, of course, the only items to which this standard can be applied in the average balance sheet are to current assets, and even here the values shown are largely a matter of opinion. Fixed assets cannot be valued in a balance sheet as tangibles, inasmuch as their earning value to the company depends upon so many intangibles, such as management, markets, etc. The same is true of most assets consisting of investments.

The point is that book values, either of equipment, properties or investments mean little or nothing to the average investor. The final test of such assets is, after all, their ability to earn money for the company. Their earning power is so dependent on management, that neither has any value independently of the other.



Sachigo River Ships in Plant

New Equipment For Sinking Two Compartment Shaft

From Our Own Correspondent

WINNIPEG.—A completely new plant will be freighted into Sachigo River as soon as conditions permit of the long haul from Ilford on the Hudson Bay line—more than 200 miles. Eldon L. Brown, mine manager at God's Lake and also having general supervision over the Sachigo Exploration Co. is authority for the statement.

W. K. Harding, Winnipeg mining engineer, has just returned from a trip into Sachigo. He staked 36 claims in the district and reports there is considerable favorable ground still open.

Thompson-Cadillac Reports New Find

From Our Own Correspondent

MONTREAL.—Sharp advance in the value of Thompson-Cadillac Mining stock followed upon reports of a rich strike on the property and indications of further promising developments.

G. F. Racine, secretary-treasurer of the company, forwarded to the Montreal Curb Market the following report from Andrew Walz, consulting geologist:

"A crosscut driven south from the extreme west end of the 606 west drift disclosed a new vein at a distance of 20 ft. south of the drift. The face exposed a foot of black quartz showing a little free gold and slightly mineralized with arsenopyrite. The ore resembles that found on the 110 west stope in the 150-ft. level. The crosscut is being continued to reach the contact of andesite porphyry and greywacke, and it is believed the drifting will be started on the new vein presently. The new discovery occupies a structural position with respect to the high-grade ores found on the 150-ft. level."

Following this was another report from Walz: "A high-grade face of ore was encountered in the 606 east drift in the 600-ft. or bottom level of the mine. This objective has been sought during the past two months and it appears now that the downward extension of the high-grade deposition on the 150-ft. level has been reached.

"It should be noted, however, that only a few feet of advance has been made in the high-grade ore and caution should be exercised in judging the merits of the property with so little work done. However, it is significant to realize that rich gold ore has been found on the lowest horizon of the mine, and if it continues upward 450 ft. to the level where it is known, it will have an important bearing on the future of the company."

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Mining News Concentrates

Algoma Summit. At the McCarthy-Webb property of this company, the Grey vein was intersected at 259 ft. off the incline drift where a raise is being driven to the 100-ft. level. While the full width has not yet been established the round which brought this vein in, showed it to be over three feet wide and still in the face. The flotation equipment for the new 500-ton milling unit has arrived and is being set up.

* * *

Arbade Gold Mines in the Matachewan area, Ontario, reports that the new plant equipment and pipe line, recently installed are now in good working order. A station will be cut at 125 ft. this month, the immediate objective of the shaft is 250 ft. At a special general meeting of shareholders held recently H. H. Verge was elected to the board of directors.

* * *

Barry Hollinger Mines—Trading in this stock has been suspended by the Toronto Stock Exchange. Recently, work at the new Matheson property was suspended because of lack of finances. The original property at Boston Creek, Ont., became idle early this year, after a production record of some $1.5 million in gold.

* * *

Bousquet Gold Mines has decided to start the deep diamond drill campaign immediately. The first drill hole will be from the surface about 800 ft. north of the shaft and is designed to test the full width of the diabase dyke and determine ore conditions in the vicinity of the shaft at a depth of 1,000 ft. below surface. Bousquet, in the Sudbury district, is currently producing around $13,000 monthly.

* * *

Darkwater Mines. The shaft at this Robb-Montbray subsidiary in the Kenora division is now at a depth of about 200 ft., and it is expected the objective of 300 ft. will be reached late in January. Drifting will then start.

* * *

God's Lake Gold Mine. The new ore section has lengthened from 29 ft. to 119 ft. with full length still undetermined as the drift face is still in ore. It is officially announced that the first 29-ft. grade was reported at $10.15 per ton while later reports show an increase of $11.21 for 92 ft. and $13.65 for the whole 119 ft. For the full length so far open, ore shows in one wall of the drift, indicating a greater than drift width for the ore. No slashing has yet been done to determine the full dimension.

* * *

East Malartic Mines. Drifting on the 178 vein in the No. 1 shaft has extended the ore to a length of 245 feet. At the juncture of three high-grade cross fractures with this zone, very high-grade ore has been encountered, the management reports. On the 325-ft. level, the downward extension of this zone has been encountered. Further drifting will have to be done to intercept the values secured on the 175-ft. level.

* * *

Goldale Mines has acquired an option on a block of nine claims in Dennis twp. about 20 miles southwest of Timmins. Surface work is under way.

* * *

Gunnar Gold Mines reports that the balance of $50,000 formerly outstanding on the loan from R. T. Birks, K.C., has been repaid. This amount was not due until Jan. 1, 1938. Average recovery for November was $14.63 per ton, the mill handling an average of 127½ tons daily.

* * *

Halliwell Gold. Shaft sinking started at the property in Beauchastel twp., Quebec, the first of the month. At the same time, work, consisting of diamond drilling has been started on a new showing, on the southwest section of the property. Surface work on this showing has beeh encouraging, directors report.

* * *

Otter Lake Gold Syndicate holding a gold prospect in the Forest Hill Dist., Guysboro County, N.S., has placed its new 30-ton mill in operation. Last September officials reported one year's supply of ore developed.

* * *

Parkhill Gold. November production amounted to $17,000 a ton, a pinch in the new stope on the eleventh level having accounted for the reduction. This shoot now appears to be widening.

* * *

Paymaster Consolidated. November production grossed $90,039 from 12,735 tons. This gives an average recovery of $7.07 per ton and a daily milling average of 425 tons.

* * *

Tashota Goldfields Ltd. advises that shareholders of record, Dec. 16, were given rights to subscribe for one new share for each three shares held. Shares went ex-rights on the Toronto Stock Exchange Dec. 15.

* * *

Young-Shannon Gold Mines. No. 20 drill hole, drilled at a 35-degree angle from the shaft head to better determine the width of a 50-ft. surface showing of porphyry, has cut 150 feet of quartz porphyry, affording valuable mining information, Cyril T. Young informs The Financial Post.

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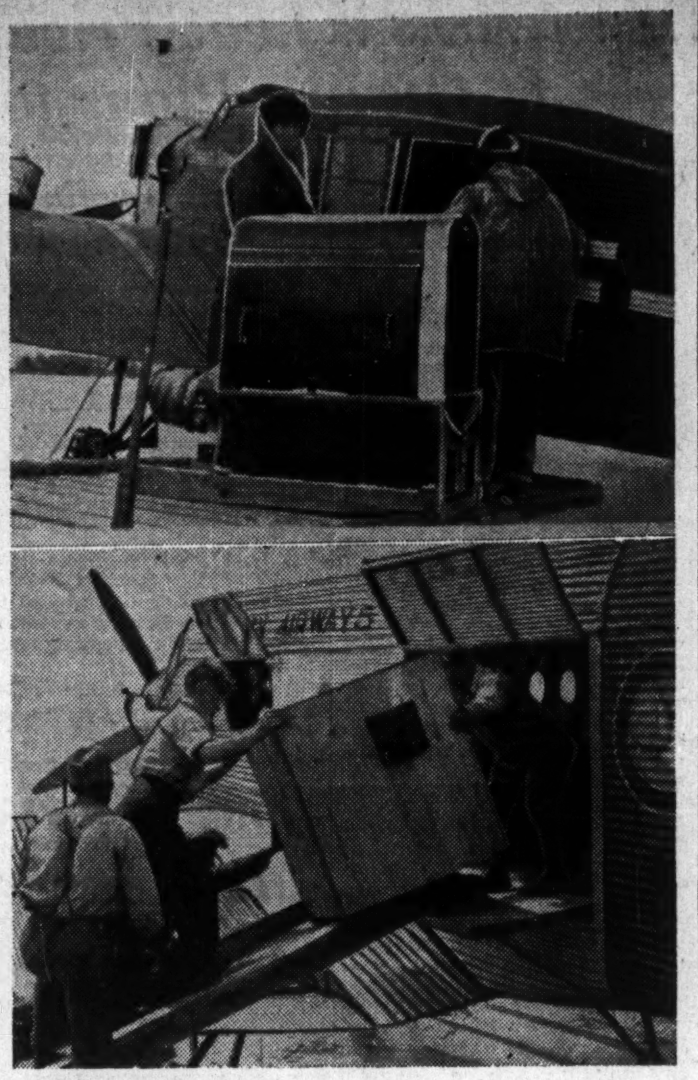

NATURAL ALLIES

Mining and the airplane have shown themselves to be natural allies in Canada. Not only does mining make possible a ramified aviation industry, but aviation makes possible, and has made possible, many of Canada's greatest mining propositions.

The above photographs show with what facility heavy machinery is transported over miles of inhospitable country to some far distant project which may mean many millions of dollars in new wealth for Canada. Similar scene can be viewed at most of the mining centres in the north country.

International Mining Corp. Portfolio Up 20 Per Cent

New shares of International Mining Corp. were posted for trading on the mining section of the Toronto Stock Exchange Dec. 15. At the same time the shares and the stock purchase warrants of the old company were removed from the trading list.

The old company had transferred all of its assets, subject to its liabilities, to the new company which bears the same name and was formed with a Delaware charter Oct. 29, 1936. The new company has also assumed the obligations of the old company and the outstanding stock purchase warrants.

In the meantime, the quoted value of the corporation's investments in stocks listed or quoted on Canadian and foreign exchanges was about 20% higher Nov. 5 last than on Dec. 31, 1935, according to an estimate made by The Wall Street Journal.

The portfolio as at Nov. 5, as published by The Journal, shows a total value of $8,864,304, against $7,330,088 at the end of December last.

According to these figures, the corporation has sold its holdings of Alaska Juneau, Hard Rock Gold Mines, Hudson Bay Mining & Smelting Co., South American Gold & Platinum, and United States Smelting & Refining Co.

It is noticeable that the corporation has acquired shares in six additional oil companies.

In the following tables, the portfolio as at Nov. 5 is given its market value at that date, as compared with the market value of the portfolio as shown in the annual report as at Dec. 31, 1935:

Portfolio Compared

Name:	Nov. 5, 1936 Shares held	Nov. 5, 1936 Quoted value	Dec. 31, 1935 Shares held	Dec. 31, 1935 Quoted value
Alaska Juneau Gold	.....	......	3,700	$ 56,887
Amerada Corp.	2,000	$ 215,000	3,000	238,125
Anaconda Copper	10,000	545,000	10,000	293,750
Bulolo Gold Dredging*	102,[illegible]	2,958,788	100,000	3,579,750
Bunker Hill and Sullivan	3,600	324,000	3,600	183,600
Cons. M. & S. Co. of Canada	2,500	183,750	500	104,000
Cons. Goldfields, S. Africa	1,000	24,450	......	......
Cons. Oil Corp.	5,500	78,375	......	......
Cont. Oil Co.	5,500	78,376	5,000	173,125
Creole Pet. Corp.	14,300	407,550	14,300	311,025
Fansteel Metall. Corp.♦	14,000	182,000	14,000	238,000
Gulf Oil Corp.	1,000	109,000	......	......
Hard Rock Gold M. Ltd.§	.....	......	27,500	8,203
Hecla Mining Co.	8,500	140,250	......	......
Homestake Mining†	500	210,000	500	243,812
Hudson Bay M. & S. Co. Ltd.	.....	......	1,900	42,512
Interlaken Iron Co.	10,000	133,750	......	......
Noranda Mines, Ltd.	19,500	1,424,377	10,000	447,463
Ohio Oil Corp.	4,500	64,687	......	......
Phelps Dodge Corp.	7,800	299,750	6,000	157,500
Placer Development, Ltd.‡	19,870	380,689	19,870	408,328
Shell Union Oil Corp.	6,000	168,000	......	......
Socony-Vacuum Oil Co., Inc.	6,000	105,000	......	......
South Amer. Gold, Plat.♣	.....	......	50,000	231,250
Standard Oil, New Jersey	1,500	105,000	......	......
Texas Gulf Sulphur	2,500	100,625	2,500	83,125
U. S. Smelting & Refining	.....	......	2,000	186,500
U. S. Steel	1,800	141,750	......	......
West Witwatersrand Gold	600	32,973	......	......
Wright-Hargreaves	18,000	139,537	45,000	343,125
Total	......	$8,864,304	......	$7,330,088

*Quoted value based on last sale price Nov. 5, 1936, on Montreal Curb Exchange.

♦Company also held purchase warrants for 10,000 additional shares of common exercisable at $10 a share on or before Dec. 31, 1937. The quoted value of $175,000 is exclusive of purchase warrants for 10,000 shares and is based on the last sale price on Nov. 5, 1936, on New York Curb Exchange.

†Quoted value based on closing bid price on Nov. 5, 1936, on New York Stock Exchange.

‡Quoted value based on last sale price on Oct. 31, 1936, on Sydney, Australia, Stock Exchange.

§Based on last sale price on Dec. 30, 1935, on Toronto Stock Exchange.

♣Company also held option, which was exercised Jan. 13, 1936, to purchase 18,900 additional shares at $4.25 a share.

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Fight Bitter For Control Of N. Canada

Scrutineers Given Week to Count Proxies

WARM MEETING

A bitter fight for control of Northern Canada Mining Corp., holding and investment company, developed at the annual shareholders' meeting held in Toronto recently. After a heated argument, the meeting, which occupied three hours, was adjourned until Friday, Dec. 18, pending the verdict of the scrutineers.

The opposing faction was headed by Col. Fred H. Deacon, whose group nominated the following directors; Charles A. Birge, C. C. Calvin, Edward Cronyn, Fred H. Deacon, Egerton Lovering, K.C., George D. McTaggart, A. C. Ramson, and H. L. Sheppard.

Mr. Lovering, who represented Col. Deacon, explained that several of the above gentlemen were prepared to drop out in order to make room for certain of the present board of directors who, the opposing faction felt, were an asset to the board.

Meighen Supports Board

The other slate presented to the shareholders comprised the present board with the addition of Victor Emery who would replace J. A. Dalton, of Kingston.

Rt. Hon. Arthur Meighen, one of the present directors, and one of the two men favored by the Deacon group, strongly supported the present board and indicated he would not consider re-election on the opposing slate.

The meeting was featured by heated interchange between Dr. J. B. Tyrrell, president, of Northern Canada and Col. Deacon, who charged the present administration with incompetence. Frequently the discussion verged on personalities and private transactions between various groups.

W. R. Sweeney, who told the meeting that he held more than one share, made his usual contribution to the proceedings.

Dr. Tyrrell was pressed for an explanation as to why a 21-month period had elapsed between annual reports. He explained there were several important matters, including the acquisition of a large interest in Argosy, acquisition of Grozell claims in Kirkland Lake, etc., which formerly had not reached the stage where they could be competently outlined to shareholders.

Best Report Yet

Dr. Tyrrell stated the latest annual report was the best in the company's history and predicted an even better one in the future.

Dr. Tyrrell pointed out that by selling 100,000 shares of Kirkland Lake Gold Mining stock and buying into other companies and properties, the management had increased the total assets from $1,309,512 to $2,059,773 or a total increase in assets during 21 months of about 60%. Dr. Tyrrell outlined the present list of security holdings in the company's portfolio as follows:

614,513 shares Argosy Gold Mines, Ltd.
100 shares American Car and Foundry Co.
2,000 shares Bankfield Consolidated Mines, Ltd.
53,000 shares Brett-Tretheway Mines, Ltd.
250 shares British Columbia Packers, Ltd.
250 units Casummit-Birch Lake Syndicate.
6,000 shares God's Lake Gold Mines, Ltd.
750 shares Hollinger Consolidated Gold Mines, Ltd.
100 shares Imperial Oil Limited.
10,000 shares Jowsey Island Gold Mines, Ltd.
1,690,200 shares Kirkland Lake Gold Mining Co., Ltd.
50,586 shares Kirkland Basin Gold Mines, Ltd.
1,000 shares McKenzie Red Lake Gold Mines, Ltd.
100 shares Montreal Light, Heat and Power Consolidated.
100 shares National City Bank of New York.
15,000 shares Pacific Eastern Gold Mines, Ltd.
10,000 shares Rocdor Gold Mines, Ltd.
300 shares Western Canada Flour Mills Co., Ltd.

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Row Presaged In Rail Rights To Athabaska

Saskatchewan to Seek Preservation of Its Right

WOULD BAR ALBERTA

From Our Own Correspondent

REGINA.—With entry of wealthy interests into the Athabaska mineral field, which is spreading fanwise from the original strike at Goldfields, the Saskatchewan Government will approach Ottawa to make sure no other province will be allowed to tap that area by railroad.

The Government is of the opinion that any benefits coming from opening up of a large mineral area should be kept within the province, even to the extent of building a railroad from its northern-most railhead to Athabaska.

No Railway as Yet

It is not likely a railway will go through from, say, Prince Albert, Sask., to Athabaska, for some time. It will require development, mineral or otherwise of the intervening area. Distance from Prince Albert to Athabaska is nearly 500 miles. The area is believed to be mineralized, but has not yet been explored sufficiently to state whether development will be worth whole.

John Michaels, representing Coniagas interests while passing through Regina from Athabaska said that shortly two $3 millions companies would be incorporated in Saskatchewan, one would be the Nicholson Mines and the other company, a subsidiary of Coniagas, not yet named. He also said five airplanes would be used next year for exploration work and flown by pilot-prospectors with a sixth plane containing a pilot, engineer and geologist at their disposal for examining finds.

Sells Optional Shares

From Our Own Correspondent

Montreal. — Consolidated Chibougamau Gold Fields announce that 25,000 shares of $1 per share par value have been taken up and paid for under the terms of the option agreement. A total of 315.000 shares now remain under option at $1 a share.

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POWER FOR THE MINES

Mapped above are the Ontario Hydro's plants and power lines carrying into new mining developments in northwestern Ontario. Below is shown the combination of Ontario Hydro facilities and those of Canada Northern Power Co. serving northeastern Ontario and northwestern Quebec mines.

Acme Cadillac Stock Taken Up

Regal Securities Sells Block of 100,000 Shares at 15 Cents Each

From Our Own Correspondent

MONTREAL. — Regal Securities, Ltd., Montreal, announce the over-subscription of an offering of 100,000 shares at 15 cents of Acme Cadillac Gold Mines Ltd. The company has an authorized capital of three million shares, of which 1,050,000 shares have been issued for properties and pooled for two years; 200,000 shares subscribed for in cash and pooled for two years; 1,250,000 shares optioned; 250,000 shares underwritten; and 500,000 shares remaining in the treasury.

The Acme Cadillac property consists of 15 claims in Cadillac township, upon which a development programme of stripping and shallow-trenching is now under way. Contracts for a diamond drilling programme, to start as soon as these sections are uncovered, are being negotiated at present.

Proceeds of the public offering made by Regal Securities are for the purpose of supplying the company with funds to carry out its development and exploration programme.

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Power May Delay Sherritt's Plans

From Our Own Correspondent

WINNIPEG. — Sherritt Gordon may not resume operations until midsummer. The plant and the property itself are ready to go ahead, but power delivery probably will not be available until July.

Eldon L. Brown left Winnipeg Dec. 11 for the property, as general supervisor, but still retains management of God's Lake. He declined to discuss affairs of Sherritt Gordon, but from other sources it is learned the $7 gold ore obtained on the sixth level is not an unusual occurrence in the Sherritt Gordon. The mine runs pockety so far as gold values are concerned. The same authority says, however, that Sherritt Gordon officials are well pleased with the way things are shaping up on the sixth level and its recommencement is awaited with much interest.

Bulolo Gold Dredging Increases Gold Recovery

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports a November production of 12,318 ounces of fine gold, compared with 12,606 ounces in October last and 9,723 ounces in November last year.

During the month 856,200 cubic yards of gravel were dredged. This contrasts with 962,000 cubic yards in the previous month and 811,000 in November, 1935.

Estimated working profits last month amounted to 8,672 ounces, equivalent to $303,520 in Canadian funds with gold at $35 an ounce. In October the working profit was estimated at $305,060 and in November a year ago at $252,665.

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Gold Alluvials Cariboo Tests Nearing Finish

Expects Start Actual Mining in 1937 After Interesting Development

COMBAT "SLUM"

From Our Own Correspondent

VANCOUVER.—By the end of the year—perhaps by Christmas—Consolidated Gold Alluvials of B.C., Ltd., will have completed its extensive preliminary development at the Melvin mine, Lightning Creek district, Cariboo.

The early stages of the programme have consisted chiefly of a huge drainage plan, an essential factor in carrying out the Australian method of combatting "slum" which in past years has been the despair of many a Cariboo miner. The company has driven straight through the rim-rock and then effected by diamond drill an ingenious drainage project along the gutter.

Some idea of the magnitude of the operation may be grasped from the fact that since work started in July, 1934, in spite of delays due to fire and other causes, 350 million gallons of water have been pumped from the Melvin, in addition to 320 million gallons from the adjacent Sanderson mine. For 680 days, allowing for the shutdowns, the pumps have drawn off water at the rate of 680 gallons a minute.

The volume of water remaining to be pumped is now within reasonable calculation and comparatively small.

The Consolidated Gold Alluvials undertaking is one of the most interesting in progress in British Columbia because it is unique. The only other enterprise remotely like it on this continent is in the California foothills. For more than 35 years miners have tried to extract the known rich gravel from the Lightning Creek area, but have invariably been frustrated by the pressure of slum, or slimy mud, that has defied all attempts at control. Huge sums were spent on development by many systems, but without success.

Ian Sanderson, engaged by the English backers of the enterprise, recommended appointment of Campbell Mackenzie as mine manager. Mackenzie, experienced in the Australian methods of fighting slime in the mines, happened to be in London when Sanderson was conferring with his principals. Together, they came to British Columbia, and for the past year and a half they have been working out their ambitious project to drain the alluvial ground of Lightning Creek and from the residue obtain sufficient gold to pay a good profit on the entire undertaking. Diamond drilling has disclosed values warranting large expenditure, but most of the costly preliminary work has now been completed, and the company will be able to begin actual mining next year.

Parkhill Gold Receives Offer

New Company Will Assume All Obligations; Gives Share Interest

From Our Own Correspondent

MONTREAL. — Shareholders of Parkhill Gold Mines will meet Dec. 21 to consider a proposal to purchase the present company, under the terms of which all liabilities would be assumed that now preclude possibility of dividends.

The new company, according to the notice sent out by Geoffrey F. Racine, secretary, will agree to repay in full, the loan of $97,096 advanced by Sir Thomas Tait, the president.

Shareholders will be given two shares in the new company for each three shares held in the present company.

Stock in Treasury

The new company, which has been incorporated, is to have a capital of three million shares after exchange of stock and payment of the president's loan, a substantial number of shares will remain in the treasury.

"It is not the intention," says the notice, "to dispose of these treasury shares at present but they will be available for increasing the hoisting capacity of the shaft and capacity of the mill, additional plant and equipment and other purposes and requirements of the company as may be deemed advisable."

Lake Rowan Drilling Indicates Good Values

Diamond drilling at Lake Rowan Gold Mines, Red Lake, has recently indicated a vein width of 30 inches, averaging $22.60 at a depth of approximately 387 ft. This drilling is continuing and is to be followed by shaft sinking and underground development.

The company is driving a tunnel into the hill to develop the main vein, which from surface sampling has indicated values averaging $40 across 34.8 inches for a length of 300 ft. A second vein paralleling this, carrying lower values at surface, will also be explored.

Find Canadian Slate Of Excellent Quality

Canadian Slate Products, operating a slate quarry north of Madoc, Ont., has ordered two additional units for the preparation of roofing slate, J. F. Noakes, a director informs The Financial Post. It is estimated that with the six units which are now on the property or ordered, a maximum capacity of about 50 squares a day can be turned out.

Recently samples of slate from this quarry were favorably reported on by the Building Research Station, Department of Scientific and Industrial Research of the British Government.

Vidette Gold Mines — The mill treated 1,413 tons of ore in November, the company reports from which 108 dry tons of concentrate were shipped to the smelters, containing 1,080 ounces of gold, 1,620 ounces of silver and 3,000 lb. of copper having a total value of $38,734.

Mining Enquiries

Falconbridge Nickel

Will you please send me what information you have regarding Falconbridge Nickel, especially relating to this investment from the standpoint of holding it?

As you probably know Falconbridge Nickel Mines is currently undergoing expansion which should be reflected in a substantial increase in 1937 earnings over those for the past year. This company is controlled by Ventures and Sudbury Basin Mines which together own over 80% of the issued stock. This gives Falconbridge an experienced background. Ore reserves have expanded and on Dec. 31, 1935, the latest estimate, amounted to over four million tons.

The present expansion programme, which will, of course, affect production, was initiated by increasing demand for nickel due largely to research work on the part of Falconbridge's large neighbor, International Nickel Co. In addition copper prices have increased considerably during the past year. Falconbridge now has a working capital of over $3 millions. Of the authorized capitalization of five million shares, 3,337,007 have been issued.

You will see from these brief facts that this company appears to have certain fairly definite attractions from a long term point of view.

Lakman Gold Mines

As a subscriber to your valuable paper will you kindly give me any information you can regarding Lakman Gold Mines?

The Lakman stock I hold was originally Murwood and I would appreciate knowing if there is any market for this stock.

Lakman Gold Mines was incorporated in May, 1936, to acquire the assets of Murwood Gold Mines. The property consists of four claims in Tiblemont Township, Que. These properties do not appear to have much chance and are at present leased to a group of Montreal men on a percentage basis. They do not, in any event, form much of an asset for Lakman.

Lakman's biggest asset at the present time is some 200,000 shares of Big Master Consolidated Gold Mines which has a fairly strong board of directors and is developing several groups of claims in the Kenora district of Ontario. Part of these claims formerly belonged to Murwood Gold Mines which accounts for Lakman's interest in this company. These 200,000 shares are held in escrow for a year from last August. We are informed by officials that when the pool is broken, the stock will probably be issued to Lakman shareholders.

We can find no market among Toronto unlisted dealers for Lakman stock, although there is, of course, some equity behind them.

New Goudreau

An estate in which I am personally interested lists among its assets certain shares of New Goudreau Gold Mines and other new Goudreau Gold Certificate 7% first mortgage bonds. The executors have placed a valuation of 2c. a share on the stock but do not consider the bonds are of any value whatever.

I have heard it rumored that Algold is interested in the New Goudreau properties and that there is some plan whereby the shares of New Goudreau are being converted to Algold.

Algold Gold Mine is at present actively developing its property west of Goudreau Station, Ont., in addition to producing, which it acquired from New Goudreau Gold Mines Ltd. in 1932.

Algold Gold Mines Ltd. has an authorized capitalization of 2.5 million shares, no par value, of which at last reports 2,030,841 were outstanding.

When it acquired the property of New Goudreau Mines, 670,836 Algold shares were issued to the vendor company, New Goudreau. Early this year, shareholders of New Goudreau at a special meeting ratified a proposal to surrender the charter of the company, putting into escrow for an indefinite period these 678,000 shares of Algold stock. Our information is to the effect that a certificate for this block of stock has been deposited with the Trusts and Guarantee Co., Toronto. There are about 650,000 shares of New Goudreau outstanding, so that eventually the distribution should be approximately share for share.

At the time of the acquisition by Algold 500,000 shares were issued to discharge a mortgage of $270,000 with four years accrued interest.

Algold stock is not listed but is being traded, at time of writing, by unlisted dealers at 44 cents bid, 46 cents asked. There is an active market for this stock, so that 2c. per share for the vendor stock, even though it is held in escrow temporarily, would appear to be rather unduly conservative.

We have not heard when this stock will be distributed to New Goudreau shareholders but our information is that a committee has been formed to deal with this matter.

Argosy Gold Mines

Would you please estimate for me what Argosy Gold Mines will earn per share in the course of a year?

It is difficult to find a basis for estimating per share earnings of Argosy which is still carrying out development, cost of which may or may not be charged against earnings this year. Argosy's mill is treating 75 tons daily, at last reports, with average grade of $24 per ton. As long ago as April it was estimated that costs would run $10 per ton with millheads of $20 but per share earnings would depend on whether development costs are to include taxes, depreciation, depletion allowance and other factors.

Thompson Cadillac

I would like your opinion of the management, prospects, record, etc., of Thompson Cadillac. I have been interested in this property for a long time, and am wondering when I might expect a dividend.

The new management of Thompson Cadillac Mining Corp. has done an outstanding job in rehabilitating a property which at one time was considered a failure. The company has been in production since May of this year. October production amounted to $18,410, of which $10,985 was bullion and $7,425 was concentrates. Since the start of production, to Nov. 1, the mine has produced $94,800. At the same time the company is increasing its ore reserves. It is expected that the mine will gradually increase the tonnage. In view of the fact that this is the first year of production, there appears to be little likelihood of any dividend as intimated in your letter. The property is geologically well located.

Gateway Patricia

Some months ago I bought some shares in Gateway Patricia Gold Mines, paying 28 cents a share. Since then they have steadily fallen. I would be obliged if you would tell me if there is any reasonable hope. I am willing to take a chance.

Gateway Patricia Gold Mines has been drilling its property all summer and will continue to drill during the winter months. Several mineralized zones are reported to have been discovered on surface and the company has had fair encouragement in its drill campaign

This property never was anything else but a geological bet. It lies in a strategic position in the Pickle Crow area, and the success which has met the other properties in this area appeared to warrant spending some money on Gateway.

You probably bought Gateway Patricia as a speculation. Nothing has happened to date to alter this estimate of the property. It is still a speculation and is in fairly good hands.

New Mining Companies

Alsac Mines—Ont. incorp. Nov. 6, 1936. H. O. Toronto. Author. cap. 3,000,000 shares, no par value.

Altura Gold Mines—Ont. Incorp. Nov. 6, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Big Bay Exploration—Ont. incorp. Nov. 6, 1936. H. O. Toronto. Author. cap. $40,000, divided into 4,000 shares of $10 each.

Bonetal Gold Mines—Ont. incorp. Nov. 10, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Briteana Gold Mines—Ont. incorp. Nov. 9, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Brown Cadillac Gold Mines — Que. incorp. Nov. 7, 1936. H. O. Montreal. Author. cap. $3,000,000, par $1.

Cariboo-Hudson Gold Mines—B. C. incorp. Nov. 27, 1936. H. O. c/o Frederick Field & Co., Royal Bank Building, Hastings & Granville Sts., Vancouver. Author. cap. $1,500,000, in 3,000,000 shares of 50 cents each.

Chibougamau Proulx Bay Gold Mine—Que. incorp. Nov. 9, 1936. H. O. Chambord Jct. Roberval Co. Author. cap. $299,999, par $1.

Collins-Boyd Exploration—Ont. incorp. Nov. 6, 1936. H. O. Kirkland Lake. Author. cap. $100,000, par $1.

Condor Gold Mines (1936)—Ont. incorp. Nov. 9, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Harris Creek Placer—B. C. incorp. Nov. 23, 1936. H. O. 622 Standard Bank Bldg., 510 Hastings St. W., Vancouver. Author. cap. $200,000, par $1.

Hope Chest Mines—Ont. incorp. Nov. 17, 1936. H. O. Toronto. Author. cap. $40,000, divided into 40,000 shares of $1 each.

Hutchinson Gold Mines—Ont. incorp. Nov. 12, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

J. D. Nicholson Mines—Ont. incorp. Nov. 24, 1936. H. O. Toronto. Author. cap. 3,000,000 shares, no par value.

Kendeu Porcupine Mines—Ont. incorp. Nov. 18, 1936. H. O. Toronto. Author. cap. $5,500,000, par $1.

Kepel Holdings—Ont. incorp. Nov. 24, 1936. H. O. Toronto. Author. cap. $100,000, divided into 10,000 shares of $10 each.

Kirgood Gold Mines—Ont. incorp. Nov. 13, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Landry Mines—Que. incorp. Nov. 4, 1936. H. O. Mont Joli, County of Matane. Author. cap. $99,000, par $1.

Lawrence Gold Mines—Ont. incorp. Nov. 24, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Mankirk Gold Mines — Dom. incorp. Nov. 9, 1936. H. O. Ottawa. Author. cap. 3,500,000 shares, no par value.

Milton Gold Mining—B. C. incorp. Nov. 6, 1936. H. O. Harrison Bldg., Main St., Penticton. Author. cap. $25,000, in 50,000 shares of 50 cents each.

Mt. Freegold Yukon Mines — B. C. incorp. Nov. 21, 1936. H. O. Suite 20, 163 Hastings St. W., Vancouver. Author. cap. $105,000, in 35,000 preference shares of $1 each, and 70,000 ordinary shares of $1 each.

Nechi Consolidated Dredging—B. C. incorp. Nov. 28, 1936. H. O. Pacific Bldg., 744 Hastings St. W., Vancouver. Author. cap. $5,000,000, par $1.

Nipilac Goldfields—Ont. incorp. Nov. 14, 1936. H. O. Toronto. Author. cap. 100,000 shares, no par value.

Ohiocan Gold Mines—Ont. incorp. Nov. 16, 1936. H. O. Toronto. Author. cap. 3,500,000 shares, no par value.

Paquette Malartic Mines—Ont. incorp. Nov. 20, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Primont Exploration—Que. incorp. Nov. 9, 1936. H. O. Montreal. Author. cap. $49,999, par $1.

Quebec Manitou Mines—Ont. incorp. Nov. 23, 1936. H. O. Ottawa. Author. cap. $3,000,000, par $1.

Queensboro Gold Mines—Ont. incorp. Nov. 25, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Rocky Lake Gold Mining—Ont. incorp. Nov. 12, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Ryan-McVittie Gold Mines—Ont. incorp. Oct. 29, 1936. H. O. Toronto. Author. cap. 20,000 shares, no par value.

Santa Fe Gold Mines—Ont. incorp. Nov. 4, 1936. H. O. Toronto. Author. cap. $4,000,000, par $1.

Sunbeam Kirkland Gold Mines—Ont. incorp. Nov. 3, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

Swastika Kirkland Gold Mines—Ont. incorp. Nov. 18, 1936. H. O. Ottawa. Author. cap. 3,000,000 shares, no par value.

Twinlake Cadillac Gold Mines—Que. incorp. Nov. 4, 1936. H. O. Montreal. Author. cap. $3,500,000, par $1.

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Stadacona Rouyn Mines Run Mill at Capacity

From Our Own Correspondent

MONTREAL.—Stadacona Rouyn Mines new mill is treating more than 200 tons daily, its rated capacity, and obtaining better than 97% recovery, according to an official statement issued by Roy Anderson, managing director. The first brick was poured Dec. 4, estimated at $13,000 with about the same amount absorbed in the mill circuit. Another larger brick will be poured this month. All ore milled so far has been from the dump.

An Announcement:
THE
Investors' Chronicle
Established 1860
Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special
Canadian Mining Supplement
This Supplement will be read by Bankers, Stockbrokers and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.
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Dominion Plan To Aid Worker To Be Delayed

King Govt. Unlikely to Further Social Programme This Year

NEED LEGAL STUDY

From Our Own Correspondent

OTTAWA.—The Mackenzie King Government is unlikely to introduce any co-ordinated programme of social security legislation at the forthcoming session, The Financial Post learns.

This does not mean that such a programme, including unemployment insurance, hours of labor, minimum wages and old-age pension extension has been dropped. The prime minister, his cabinet and the Liberal party, are all pledged to such action as soon as practicable and the cabinet, in fact, holds advanced views on the imperative need for further social legislation.

There are, however, two immediate obstacles, aside from the prospect of a short session to terminate in time for the coronation and the Imperial trade conference in London next May. These are:

1. The constitutional position has not yet been cleared up. Even when the Privy Council decisions have been received and digested, there are further legal studies to be made, especially in connection with unemployment insurance.

Financial Position

2. The financial position does not yet permit a social legislation programme. The position taken by Mackenzie King in 1935, that recovery must precede reform, is held to be as sound now as then. Once the federal budget has been balanced, it will be possible to finance social security measures, but not until then.

There is a rising tide of opinion that old-age pensions should begin earlier than at 70. The fixing of 65 for the beginning of benefits under the social security legislation of the United States is sure to have repercussions on this side.

There is one essential difference which suggests a line of future action in Canada. The U. S. pensions are being made contributory. Canada's old-age pensions are contributed 100% by the state, 75% from the federal treasury, the remainder from the province.

When the old-age pension bill came into force in 1927 the ultimate cost to the country was foreseen by few. Now that Quebec has adopted old-age pensions the bill will run to $30 millions annually, gradually rising. Any lowering of the age of beginning benefits will run the total up rapidly.

Consolidate Plans

Some consolidation of the annuity and pension scheme is probable when the Government feels that the time is ripe for a comprehensive social legislation scheme. Annuities have been subsidized to a growing degree.

It is understood to be the Government's view that the Government annuities must be made to carry their cost. The anomaly of supporting a state pension scheme and a partly subsidized annuity scheme has been fully appreciated.

In view of the social security legislation in the United States, it has been suggested that eventually the Liberal Government will set up a contributory pensions-annuity scheme to replace the present Government annuities, and strictly confine the payment of old-age pensions to those who have been on relief and have had no opportunity to contribute toward provision in their old age.

Coming Year May Bring Sell-out of Wheat Surplus

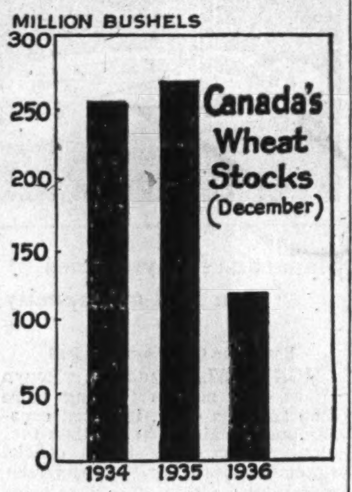
(Continued from page 1)

period, total production was short of consumption and the world fell back on its reserves. There was only a moderate withdrawal in 1934, but in the following year more than 200 million bushels, or the equivalent of total Canadian exports from a good crop, were taken out. Another 125 million bushels were withdrawn and consumed in the year which ended July 31 last, leaving a carryover of just 250 million bushels.

But even this net wheat cannot go untouched in the present season and it is estimated that at least half of it will be required to supplement current production. Such consumption will bring world carryover down to 125 million bushels or a drop of 500 millions in four years. It will bring it to a point dangerously below average.

Behind the Price Rise

It is this steady drop in the world supply of wheat that is responsible for the higher prices ruling on all open markets today. So long as a great block of unsold grain, the bulk of which was stored in Canadian elevators, overhung the market, prices could not advance. But the greater part of that bulk has now been liquidated. For



the first time in almost 10 years Canada's accumulated stocks at this period of the year have been brought down to a normal level. The bottom of the bins may have to be scraped before the 1937 crop is harvested.

There is no chance of rebuilding the world reserve out of the crops yet to mature in the present wheat year which closes July 31 next. Only two crops of importance remain to be harvested, those of the Argentine and Australia. What recent gain has been noted in prospects of the former has been offset almost completely by a reduction in Australia.

Need a Bumper Crop

Observers agree that the estimate of 125 million bushels above requirements next July will stand practically unchanged. It certainly does not appear that it can be any greater. Such a small supply would automatically create prices as far above average as the unwieldy surplus carried them below a few years ago. As summed up in a recent issue of the London (England) Economist:

"Exportable supplies at the end of July next year will have been reduced to dangerously small dimensions, reinforcing our conclusion a month ago that nothing short of a bumper crop next season may be sufficient to prevent a sharp upward trend of prices next summer."

Supply and Demand Now

From 1928 until this summer, wheat prices were more dependent on carryover than they were upon current crops. The old idea of good crops and good times going hand-in-hand had to be abandoned. With a carryover equal to a normal year's import it didn't make a great deal of difference whether the Canadian crop was 250 million or 400 million bushels. Aggravating the situation was a low purchasing power throughout the world as a result of general depression.

Looking to Future

It is a comparatively simple matter to bring the present situation up to date, but when one starts looking into a crop year which does not commence for several months yet, some reservations must be allowed.

An outbreak of war between two major powers, of course, might completely upset all calculations, particularly if the belligerents ignored the historic rule of delaying actual hostilities until the crops had been harvested. In any case a large scale war might, overnight, turn millions of wheat producers into wheat consumers. War, unfortunately, is one major factor that cannot be entirely discounted in the immediate future.

Russian Factor

Another factor, but in the writer's opinion not nearly as important a one, is Russia. Potentially that country's production is equal possibly to Canada and the United States combined, but as an exporter—and exports alone govern the price of wheat at Liverpool—the post-war record of the Soviets has not been impressive. Shipments have been spasmodic and recently seldom large enough to seriously affect the market.

With a rising standard of living and large scale industrial expansion, moreover, it seems certain that for some time to come Russia will consume at home practically all the wheat grown. The threat of war, too, on either or both her borders, might force accumulation of emergency reserves of any possible surplus that might be developed.

Three Major Factors

With these two shadowy factors eliminated, chief determining price improvement next summer will be the size of the wheat crop in:

1.—Europe.
2.—The United States.
3.—Canada.

The size of the crops from these areas holds the key to prices in 1937-38. All are big potential producers and more than half of 1937 wheat they will produce is already seeded. Eight months will see most of it harvested.

Key to Future Price

Really bumper crops in all three would assuredly bolster carryover to the extent of 300 to 500 million bushels and would shake prices. But record crops simultaneously would be phenomenal and need hardly be considered seriously. As for bumper yields in two of the areas mentioned, demand could easily absorb them without any unusual increase in carryover or decline in price. With anything short of this production, however, the world is going to run the risk of going hungry.

What the outcome will be, with winter and spring weather ahead, of fall seedings in Europe and the United States, and the Canadian and American spring wheat crops yet to be sown, no one can determine.

Our Turn Coming

For the last ten years European farmers have harvested wheat crops which have run consistently above the average yield, though the tendency to decline has been noted in the last two seasons. Eventually one would expect that below-average crops will be experienced in that quarter.

On the other hand, in both Canada and the United States, wheat yields since 1931 have been far below average and eventually higher returns may reasonably be expected. In view of the still serious moisture situation, however, such a complete transformation may not take place next year. In the meantime the Canadian farmer can at least go ahead in the assurance that his wheat is again wanted and needed.

ROYAL DIRECTOR

Norman L. Leach, Winnipeg, who has been appointed a director of the Royal Bank of Canada. Mr. Leach, prominently associated with the grain trade for over 30 years, is president of Searle Grain Co., a director of Grain Insurance & Guarantee Co. and a member of the Winnipeg Advisory Board of the Royal Trust Co.

C. G. E. Fights English Electric

Canadian General Electric Co. is asking the Supreme Court of Ontario to issue an injunction restraining English Electric Co. and the subsidiary Canadian Crocker-Wheeler Co. from infringing C. G. E. Canadian patent No. 289,-379. The patent concerns inside frosting for electric light bulbs. bulbs.

The plaintiff also asks for a court order for delivery to C. G. E. of any infringing articles in the possession or control of English Electric Co. and Canadian Crocker-Wheeler Co.

English Electric class A and B shares have declined to about $32 and $15 respectively, compared with high points of $40 and $19⅛ this year.

Imperial Oil Plans Holidays for Workers

Vacations with pay for all Imperial Oil wage employees are proposed by President G. Harrison Smith.

Joy Oil Co. Takes Action Against City of Toronto

Joy Oil Co. is applying to the court for an order granting permits to erect gasoline storage tanks on Toronto Harbor Commission lands leased by the company. Acting for the company, F. G. McBrien, K.C., is also seeking court permission to proceed with a claim for damages against the city because of refusal of permits.

Commodity Prices

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$6.35	$6.50	$6.50
Hogs	8.60	8.35	8.75
Copper, lb.	.10½	.10½	.09¼
Cotton, lb.	.1298	.1256	.1190
Rubber, lb.	.1897	.1931	.1313
Sugar, raw, lb.	.0378	.0381	.0310
Silk, lb.	2.13	2.16	1.96
Wheat (Man.) bus.	1.16⅛	1.14⅜	.88
Coffee, lb.	.09	.08⅜	.06⅝
Hides	.13½	.13½	.11¼
Weekly Indices			
N. Y. Annalist	132.0	131.6	129.2
Fishers'	86.6	86.7	84.0
N. Y. Journal of Comm.	84.0	83.3	81.1
Crumps (Brit.)	75.7	75.4	68.6
U. S. Labor	82.6	82.4	80.8
Canada (D.B.S.)	77.4	77.2	72.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	81.5	81.5	80.3
W'sale (Oct.)	77.1	76.4	73.1
U. S. Labor (Aug.)	81.6	80.5	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York: Hogs — select bacons, Toronto.

Mining Dividends

	Rate	Close Dec. 14	Yield %
Anglo-Huronian	20c	6.50	..
Beattie Gold	†5c	1.24	..
Bralorne	40c+15c	7.75	..
Buff. Ankerite	20c	11.75	1.7
Bulolo Gold	‡1.40	29.50	..
Cariboo	10c	1.65	6.1
Central Patricia	†4c	4.05	..
Coniagas	12½c	3.25	..
Cons. Smelters	$1+$1	75.25	..
Dome Mines	$2+$2	51.50	7.7*
Falconbridge	30c	11.12	2.7
Hollinger	65c+45c	13.75	8. *
Howey Gold	2c	.61	..
Hudson Bay	$1	33.00	..
Island Mountain	‡10c	1.20	..
Int. Coal & Coke	‡1c	.23½	..
Int. Nickel c.	$1.60	62.50	2.5
Inter. Mining	45c	15.12	..
Kerr Lake	5c	.55	..
Kirk. Lake	‡3c	.67	..
Lake Shore	$5	59.50	8.4*
Lava Cap M.	4c+1c	1.04	..
Little L. Lac	30c	7.00	..
Macassa	15c	7.35	..
McIntyre	$2	40.50	4.9
McKenzie R. Lake	6+1c	1.77	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.72	..
Nipissing	50c	2.60	..
Nor. Can. Mining	2c	.54	..
Noranda	$3	72.25	4.2
Pickle Crow	20c	7.25	..
Premier	12c+4c	3.52	4.5*
Pioneer, B.C.	80c	5.30	15.1
Reno	12c	1.22	9.8
San Antonio	14c	2.26	..
Sheep Creek	8c	.85	9.4
Siscoe	20c	4.29	4.8
So. Amer. Gold	30c	4.80	..
Sudbury Basin	10c	5.45	..
Sylvanite	20c	3.35	6
Teck-Hughes	40c+5c	5.10	8.8*
Toburn	8c	3.75	2.1
Ventures	2½+2½c	2.75	..
Ymir Yanke Girl	5c	.33	..

‡Interim. †Initial. *Yield includes bonus.

7,000 Names On New List Of Executives

(Continued from page 1)

casualty and life insurance companies, newspapers, banks, investment companies, industrial, public utility, merchandising and oil companies and a large number of mining concerns. Officials of the Canadian Bankers Association, Winnipeg Grain Exchange, all Canadian stock exchanges, members of the Dominion cabinet, the Board of Railway Commissioners, Board of Grain Commissioners, Ontario Hydro-Electric Commission and Ontario Liquor Commission are also listed in alphabetical order.

Sir Herbert Holt Leads

Holding directorates or other official position on the boards or executive of 45 Canadian companies, Sir Herbert Holt heads the list. A dozen industries are represented in his memberships. Sir Edward Beatty is also high in the list with more than a dozen directorates in addition to appointments on various bodies of a non-commercial type. He is chancellor of McGill University, president of the Boy Scouts Association of Canada, vice-president and trustee of the Royal Victoria Hospital.

John E. Aldred, investment dealer and president of Aldred and Co., Montreal, is revealed as chairman of the board of directors, member of executive or advisory committee or holding directorate on 30 companies, including a number of utility concerns in Canada, the United States and Europe. George William Allan, K.C., senior partner in the legal firm of Allan, Laird, Davis, Haffner and Hobkirk, whose home is in Winnipeg, holds directorates or presidencies in almost two dozen Canadian companies.

Well-Known Names

Names synonymous with Canadian business enterprise are found in almost every section of the new volume. Thus, there are six Beaubien listings, each being followed by details of directorates and other appointments to the executive of well-known French-Canadian business ventures, banks and other organizations. Ivey, a name familiar in Western Ontario, appears more than once; Beardmore, synonymous with the leather business in the Toronto area, is likewise represented by "A.O." and "A.O.T."

Any doubt as to the prominence of Scots in the business life of the Dominion is dispelled by the new edition. Scots at sea are found in engine-rooms, but on land the majority appear to be in directors' rooms, guiding the destinies of big business in Canada. From MacAlpine to MacVicar, they occupy nearly ten pages of the volume.

Simpson, Smith, Thompson, Campbell, Cox, Stephenson and Wright, spelled in various forms, are among the most frequently recurring names of Canadian directors. When you next hear those and other names, and they sound familiar, but you "just can't place him," open the new Directory of Canadian Directors. It is more than likely his complete business associations will be there, with those of 7,000 others. Copies of the new edition are now on sale at $10 a copy.

Auto Insurance Limit Applies Only in Quebec

A judgment tendered in a Quebec court last week that an automobile insurance policy protects only the owner of the car and does not cover damages when another party is driving, applies to Quebec province only, The Financial Post is informed.

Insurance officials point out that Quebec is the only province which does not conform to the Uniform Automobile Insurance Act, effective in eight provinces of the Dominion.

Interlake Transport Bonds Being Paid Off

Bonds of Interlake Transportation Ltd. are being paid off at par plus arrears of interest. This amounts to $117.75 per $100 of principal. There are $134,000 of bonds outstanding.

Interlake Transportation Ltd. owned the steamship Sand Merchant which sank in Lake Erie on Oct. 17.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Dec. 8	Dec 9	Dec. 10	Dec. 11	Dec. 12
U. S. Dollar, High	.99$\frac{15}{16}$	.99$\frac{15}{16}$	.99$\frac{15}{16}$	.99$\frac{15}{16}$	.99$\frac{15}{16}$
Low	.99⅞	.99$\frac{15}{16}$	.99⅞	.99⅞	.99⅞
1935 High	1.01¼	1.01⅛	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$
Low	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$
U. K. pound	4.90½	4.90	4.90	4.89¾	4.89⅞
Australia	3.9158	3.9117	3.9130	3.9200	3.9200
Austria	.1873¾	.1873¾	.1872½	.1873¼	.1873¼
Belgium	.1691½	.1691½	.1690	.1689½	.1689½
Brazil	.0595	.0595	.0595	.0600	.0597
Czechoslovakia	.0353½	.0353½	.0353¼	.0353⅛	.0353⅛
Denmark	.2189	.2187½	.2189¼	.2196¼	.2187½
France	.0466½	.0466	.0466	.0465¼	.0465⅞
Germany	.4021½	.4021½	.4018½	.4020¾	.4020¾
Greece	.0090	.0090	.0090	.0090	.0090
Holland	.5441½	.5440½	.5439	.5440	.5441
Hungary	.1978¾	.1978¾	.1977½	.1978⅛	.1978⅛
India	.3708½	.3708½	.3702¼	.3709½	.3707½
Italy	.0526⅛	.0526	.0525¾	.0526	.0525⅞
Japan	.2860¼	.2858¼	.2854½	.2855¼	.2852¼
Jugoslavia	.0233¼	.0233¼	.0233¼	.0233¼	.0233¼
New Zealand	3.9497	3.9513	3.9445	3.9500	3.9525
Norway	.2464	.2464½	.2463	.2462¼	.2462⅛
Poland	.....	.1887	.1888	.....	.....
South Africa	4.8200	4.8900	4.8765	4.8875	.....
Sweden	.2528	.2527½	.2526¼	.2652¼	.2526¼
Switzerland	.2297½	.2287½	.2296	.2296¼	.2296⅞
Hong Kong	.3061	.3061	.3056¼	.3059	.3057⅛

Alta. Tar Sands Have Gold Trace

From Our Own Correspondent

WINNIPEG.—The news comes from Edmonton, and is said to emanate from Government sources, that the bitulithic sands of northern Alberta have a gold content of 70c. per ton. Only one refinery, an oil refinery, is at present ready for operation and it is said it is the intention of this concern to install equipment to recover as much as possible of the precious metal.

If the story is true, the tar sands offer tremendous possibilities. Roughly they extend in a north-south direction for 60 miles and in an east-west direction for 160 miles. Not all of this territory is underlain with sands, but if even half of it is so underlain the resultant figures of gold content are staggering.

The sands run about 200,000 tons to the acre.

C. N. R. Announces Plan For More Work in Shops

From Our Own Correspondent

MONTREAL.—Additional working time in C. N. R. shops, effective the first of the year, is announced by S. J. Hungerford, president of Canadian National Railways.

In view of the general increase in business, he said, there was a demand for more locomotive and passenger car shop work, and it was expected the new programme would increase the output to 1,150 units in 1937 as against 750 this year.

Donnacona Paper Co. Ltd. has commenced construction of a $50,000 addition to its pulp and paper mill at Donnacona, Que.

Canada & Mutual Keep '36 Dividend

Canada Life and Mutual Life of Canada will make no change in their present scale of policyholder dividends for 1937, The Financial Post is informed.

The Canada Life decision applies only to the first six months of 1937, since the company makes a practice of only committing itself for six months at a time. The Mutual Life action is qualified by saying that the decision to make no change in dividend will apply "for the present time."

In respect of interest rates, Mutual of Canada will pay a lower rate in 1937 on policy proceeds left with the company. The new rate will be 3½% against 4% in 1936. The company will continue, however, to pay 4% on dividends left to accumulate with the company.

Canada Life will make no change in its interest rate for the first half of 1937. The 3½% rate in effect during 1936 on both dividend accumulations and policy proceeds will be maintained.

The BACHELOR'S COLUMN correspondence should be addressed to: "Bachelor", Andrew Wilson & Co. Ltd., Toronto.

Timely Advice

I'm acquiring something of a reputation as a solver of problems . . . Due to the diplomatic manner in which I extricated Fred and Stella from a Christmas predicament . . . Somehow, Fred's rich Uncle Robert got left off Stella's Christmas list and both of them were wild-eyed trying to think of a suitable last-minute gift. I suggested Bachelor Cigars. "If they are already his favourite cigar", said I, "he'll be pleased by your good sense; if not, you have a wonderful opportunity to acquaint him with Havanas at their best . . . and earn his life-long gratitude. In short, you can't go wrong if you give Bachelors."

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